

**BEIJING ORIENTAL YUHONG
WATERPROOF TECHNOLOGY CO., LTD.**



Annual Report 2023

Stock Code : 002271

Stock Name : Oriental Yuhong

April, 2024

Chapter I Important Notes, Table of Contents and Definitions

The board of directors, board of supervisors, directors, supervisors and senior executives of the Company warrant that the information carried in this report is factual, accurate and complete, without any false record, misleading statement or material omission. And they shall be jointly and severally liable for that.

Li Weiguo, the person in charge of the company, Xu Wei, the person in charge of the accounting work and Xu Wei, the person-in-charge of accounting organ (accountant in charge) hereby declare that they guarantee the veracity, accuracy and integrity of the financial statements in this report.

All directors were present at the meeting of the board of directors to deliberate the annual report.

Where the annual report involves any future plan, performance prediction or any other forward-looking statement, it shall state that the plan does not constitute any material commitment of the company to investors. Investors and relevant persons shall be sufficiently mindful of risks, and understand the differences of plans, predictions and undertakings.

At present, the Company does not bear any risk factors that may hinder its sustained profitability, future development strategy and attainment of business objectives. However, investors shall be mindful of the following risks for cautious investment decisions: industry policy, macro-control policy and volatility of the downstream real estate industry, price fluctuation of raw materials, market competition, technology theft, and accounts receivable. Please refer to Chapter III Operation Discussion and Analysis for details.

The Board has approved a final dividend plan for the ordinary shareholders as follows: based on the total share capital (the share capital at the record date when the dividend plan is implemented in the future) after deducting the repurchased shares in the Company's special account for repurchase, a cash dividend of RMB 6.00 (tax inclusive) per 10 shares is to be distributed to the shareholders, with no bonus issue from either profit or capital reserves.



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Contents of Documents for Reference

- I. Accounting statements with signatures and seals of legal representatives, persons in charge of accounting work and persons in charge of accounting institutions.
- II. Original audit report stamped by the accounting firm as well as signed and sealed by the certified public accountants.
- III. The originals of all companies' documents and announcements publicly disclosed in the newspapers designated by CSRC during the Reporting Period.
- IV. The original document on 2023 annual report signed by Chairman Li Weiguo.
- V. Location of the above documents for reference: Securities Department of the Company.

Definition

Item	referring to	Definition
the Company, Oriental Yuhong	referring to	Beijing Oriental Yuhong Waterproof Technology Co., Ltd.
Company Law	referring to	Company Law of the People's Republic of China
Securities Law	referring to	Securities Law of the People's Republic of China
CSRC	referring to	China Securities Regulatory Commission
SSE	referring to	Shenzhen Stock Exchange
The Reporting Period	referring to	From January 1 of 2023 to December 31 of 2023
Yuan 10,000 Yuan	referring to	RMB RMB 10,000
Waterproof membranes	referring to	A soft waterproof material based on asphalt or synthetic macromolecular material that takes the form of squeezed slice or bended roll, including asphalt-based waterproof membrane and macromolecular waterproof membrane
Coating	referring to	A type of material without a certain form, liquid or semi-liquid in normal temperature, which can be painted or sprayed on the surface of waterproof substrate and solidified with thickness after volatilization, evaporation or chemical reaction
Mortar powder	referring to	A dry mixture made of cementitious materials, dry fine aggregates, additives and other components determined based on performance in a certain proportion, measured and mixed in a professional production plant. It is mixed with water or supporting components in a specified proportion at the place of use, including tile adhesive, putty powder, plastering gypsum, self-leveling mortar, waterproof mortar, decorative mortar, masonry plastering mortar, grouting materials and other products.
Houses and buildings	referring to	industrial, civil and public buildings



Chapter II Corporate Information and Key Financial Indicators

I. Company Profile

Stock name	Oriental Yuhong	Stock Code	002271
Stock exchange for stock listing	Shenzhen Stock Exchange		
Chinese name of the company	Beijing Oriental Yuhong Waterproof Technology Co., Ltd.		
Abbreviation of the Company's Chinese name	Oriental Yuhong		
English name of the company (if any)	BEIJING ORIENTAL YUHONG WATERPROOF TECHNOLOGY CO., LTD.		
Abbreviation of the company's English name (if any)	ORIENTAL YUHONG		
Legal representative of the company	LI Weiguo		
Registered address	NO.2, Shalingduan Jia, Shunping Road, Shunyi District, Beijing, China		
Postal code of the registered address	101309		
Historical change(s) of the Company's registered address	N/A		
Office address	Courtyard 19, 9th Kechuang Street, Beijing Economic-technological Development Area, E-town, Beijing		
Postal code of the office address	101111		
website	www.yuhong.com.cn		
E-mail	stocks@yuhong.com.cn		

**II. Contact Information**

	Board Secretary	Securities Representative
Name	Zhang Bei	
Office Address	Courtyard 19, 9th Kechuang Street, Beijing Economic-technological Development Area, E-town, Beijing	
Tel.	010-59031997	
Fax	N/A	
E-mail	stocks@yuhong.com.cn	

III. Information Disclosure and Filing Location

Website of the stock exchange where the Company discloses its Annual Report	Shenzhen Stock Exchange (http://www.szse.cn)
Name and website of the media in which the Company discloses its Annual Report	<i>Securities Times, China Securities Journal</i> , http://www.cninfo.com.cn
Filing Location	Department of Securities of the Company

IV. Alteration of Registration Information

Organization Code	91110000102551540H
Alteration of principal activities after listing (If any)	None
Alteration of holding shareholders since establishment (If any)	None

V. Other Related Information

Accounting firm retained by the Company

Name	Grant Thornton International Ltd (Special General Partnership)
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Office address of the accounting firm	Floor 5, Saite Plaza, No.22, Jianguomenwai Street, Chaoyang District, Beijing
Names of signatory accountants	Liang Yinan. Bai Jing

Sponsor that performs continuous supervision retained by the company for the Reporting Period

Applicable Not applicable

Sponsor that performs continuous supervision retained by the company for the Reporting Period

Applicable Not applicable

VI. Key Accounting Data and Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

Yes No

Reasons for retrospective adjustments or restatements

Changes in accounting policies

Operating revenue (RMB)	2023	2022		YoY changes	2021	
		Before adjustment	After adjustment	After adjustment	Before adjustment	After adjustment
Net profit attributable to the listed company's shareholders (RMB)	32,822,528,10 8.42	31,213,835,24 6.24	31,213,835,24 6.24	5.15%	31,934,201,00 4.74	31,934,201,00 4.74
Net profit attributable to the listed company's shareholders excluding extraordinary profit and loss (RMB)	2,273,331,266. 86	2,120,297,575. 39	2,121,353,829. 27	7.16%	4,204,699,487. 90	4,204,699,487. 90



Net cash generated from/used in operating activities (RMB)	1,840,724,194.02	1,802,763,332.92	1,803,819,586.80	2.05%	3,867,427,213.50	3,867,427,213.50
Basic earnings per share (RMB/share)	2,103,197,639.61	654,012,763.96	654,012,763.96	221.58%	4,114,675,325.17	4,114,675,325.17
Diluted earnings per share (RMB/share)	0.91	0.85	0.85	7.06%	1.74	1.74
Weighted average return on equity (%)	0.90	0.84	0.84	7.14%	1.70	1.70
	8.24%	7.97%	7.97%	0.27%	19.92%	19.92%
Total assets (RMB)		December 31, 2022		Year-end changes from last year	December 31, 2021	
Net assets attributable to the listed company's shareholders (RMB)	December 31, 2023	Before adjustment	After adjustment	After adjustment	Before adjustment	After adjustment
	51,173,993,594.77	50,555,779,624.44	50,590,772,907.13	1.15%	49,733,226,928.38	49,733,226,928.38
Operating revenue (RMB)	28,374,014,507.51	26,807,182,612.69	26,808,836,431.15	5.84%	26,294,395,090.54	26,294,395,090.54

Reasons for changes in accounting policies and correction of accounting errors



The Ministry of Finance issued the "Interpretation No. 16 of Accounting Standards for Business Enterprises" (Financial Accounting [2022] No. 31) in November 2022 (hereinafter referred to as "Interpretation No. 16").

The Interpretation No. 16 stipulates that for a single transaction which is not a business combination, and affects neither accounting profits nor taxable income (or deductible losses) when the transaction occurs, and the initial recognition of assets and liabilities results in equal amounts of taxable temporary differences and deductible temporary differences, the taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities shall be determined in accordance with the provisions in "Accounting Standards for Business Enterprises No. 18 - Income Tax". The corresponding deferred income tax liabilities and deferred income tax assets are recognized respectively when the transaction occurs.

For the above-mentioned transactions that occurred between the beginning of the earliest period for the presentation of financial statements when the above provisions are first implemented and the implementation date of this interpretation, the enterprise shall, in accordance with the above provisions, adjust the cumulative impact number to the opening retained earnings and other relevant items for the earliest period for presentation of the financial statements. The above accounting treatment regulations will be effective from January 1, 2023.

If the lease liabilities and right-of-use assets recognized in the leasing business as well as the recognized estimated liabilities related to disposal obligations and corresponding assets generates taxable temporary differences and deductible temporary differences, the Company shall make adjustments in comply with the provisions of Interpretation No. 16.

The lower net profit of the Company before or after the deduction of non-recurring profits and losses is negative in the past three accounting years and the latest audit report cast doubt upon the Company's ability to continue as a going concern.

Yes No

The lower net profit of the Company before or after the deduction of non-recurring profits and losses is negative

Yes No

VII. Accounting Data Variance Based on Domestic and International Accounting Standards

1. The difference of net profit and net assets attribute to shareholders in the financial report disclosed under IAS and CAS.

Applicable Not Applicable

There is no difference of net profit and net assets attribute to shareholders in the financial report

disclosed under IAS and CAS.

2. Difference of net profit and net assets attribute to shareholders of the Company in the financial report disclosed under FAS and CAS.

Applicable Not Applicable

There is no difference of net profit and net assets attribute to shareholders of the Company in the financial report disclosed under FAS and CAS.

VIII. Key Financial Information by Quarters

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	7,494,548,302.46	9,357,383,818.88	8,508,318,204.12	7,462,277,782.96
Net profit attributable to the listed company's shareholders	385,537,995.41	948,732,480.54	1,019,229,036.10	-80,168,245.19
Net profit attributable to the listed company's shareholders excluding extraordinary profit and loss	324,322,182.50	918,603,626.82	928,675,060.81	-330,876,676.11
Net cash generated from/used in operating activities	-3,806,105,070.84	-136,970,723.59	-816,916,433.45	6,863,189,867.49

Indicate by tick mark whether any of the quarterly financial data in the table above or their summations differs materially from what have been disclosed in the Company's quarterly or interim reports.

Yes No

IX. Items and Amount of Extraordinary Profit and Loss

Applicable Not applicable

Unit: RMB



Item	Amount in 2023	Amount in 2022	Amount in 2021	Explanation
Profit/loss on the disposal of non-current assets (including write-off items for the provision for impairment of assets)	-9,050,594.86	-15,481,123.86	28,055.70	
Government grants recognized in the current year, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the country's unified standards	198,403,539.07	259,082,123.34	411,722,314.00	
Profit or loss on changes in fair value of held-for-trading financial assets and liabilities, as well as investment income from disposal of held-for-trading financial assets and liabilities, except for effective hedging business related to normal businesses of the Company	-10,930,453.26	18,235,762.55	-41,069,746.89	

Payment for possession of fund acquired from non-financial businesses included in the current profit and loss	200,432,770.60	101,624,501.55	76,262,193.63	
Reversal of allowance for impairment of receivables separately tested	161,524,064.23	671,630.21		
Gains and losses on debt restructuring		-12,849,851.00		
Other profit or loss items meeting the definition of extraordinary profit or loss	5,645,778.81	40,259,853.63	1,924,833.12	
Less: Income tax effects	100,611,307.04	71,828,803.74	101,284,776.75	
Minority interests' effects (after tax)	12,806,724.71	2,179,850.21	10,310,598.41	
Total	432,607,072.84	317,534,242.47	337,272,274.40	--

Other profit or loss items meeting the definition of extraordinary profit or loss:

Applicable Not applicable

The Company didn't have any other profit or loss items meeting the definition of extraordinary profit or loss.

Explanations for items of extraordinary profit and loss listed in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Extraordinary Profit and Loss* as items of recurrent profit and loss

Applicable Not applicable

The Company didn't define items of extraordinary profit and loss listed in the *Explanatory*



Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Extraordinary Profit and Loss as items of recurrent profit and loss.

Chapter III Management Discussion and Analysis

I. Overview of the Industry Where the Company Operates in the Reporting Period

The Company shall comply with the requirements of disclosure stated in Guidelines No.13 of the Shenzhen Stock Exchange on Industry Information Disclosure: Listed Companies Engaging in the Relevant Non-metallic Building Material Business.

(I) Overview

1. Focusing on the core business while promoting diversification to become a leading building materials system service provider

Always being customer-oriented, the Company aims to accommodate various application scenarios and market changes. It has become a building materials system service provider that focuses on building waterproofing and extends to diversified fields including civil building materials, mortar and powder, building coatings, energy-saving and thermal insulation materials, adhesives, tubes, building renovation, new energy, non-woven fabrics, specialized films, and emulsions. During the Reporting Period, taking “Pursuing Faster Growth Unremittingly, Evolving Fiercely, and Making the Impossible Come True” as the operational focus, as well as following the core philosophy and principles of the Basic Rules of Oriental Yuhong, the Company rose to the uncertainties of the market, maintained strategic determination, and enhanced confidence in development.

During the Reporting Period, the Company remained dedicated to its strategic positioning of high-quality and more solid development, gave top priority to risk control, and insisted on sound operation and putting risk control in the first place to significantly enhance operational quality. On one hand, we have deeply implemented the “platform + creators” business management model, prioritizing partnerships. By initiating channel transformations and empowering partners, the Company proactively expanded diversified application scenarios including the construction of transportation, water conservancy and other infrastructure facilities and urban emerging infrastructure, industrial and mining warehousing and logistics and affordable housing, gave full play to technical advantages to enrich product categories and upgrade the produce system, and increased its market share in the non-housing sector while exerting efforts in the existing construction market, developing old house renovation, urban village transformation, and urban renovation projects. Furthermore, by prioritizing retail with civil building materials as the representative for the consumer-end retail channels, we have maintained steady and robust growth. Through strengthening our brand, upgrading services, expanding product categories, and broadening channels, we continuously enhance user experiences and increase our core competitiveness. Leveraging the customer resources accumulated based on the main business of

waterproofing, the synergy of sales channels and a strong brand presence, the Company developed non-waterproofing businesses at a faster pace. Based on quality products and professional system services, the Company provided more refined one-stop building material and system solutions to customers. With the synergistic advantage of the main waterproofing business's national channel network, the non-waterproofing businesses, such as mortar and powder, achieved faster growth, providing a second growth curve for the Company's sustainable development in the future, and helping the Company to build itself into a building materials system service provider. Moreover, by prioritizing overseas expansion, we actively push forward our "going global" strategy, developing international markets and advancing our global layout in international research, overseas warehousing, overseas M&As, overseas factory building, overseas talent development, and overseas channel development, thus operating diversified business models including overseas engineering, trade, and retail. Meanwhile, the Company actively made plans for upstream industries, such as non-woven fabric, specialized film, VAE emulsion and VAEP powder, so as to strengthen the anti-risk capability of the Company's supply chain and build a deeper and wider moat for the Company.

2. Prioritizing partners and implementing swift channel reform

During the Reporting Period, the Company continued to optimize and reform channels, changed the direct marketing mindset, and attempted to win partners at full strength, with the channel sales of partners becoming one of its main selling bodies. During the Reporting Period, the Company always gave priority to partners and empowered partner development. It kept cultivating the operational management capabilities, business expansion capabilities, and engineering service capabilities of partners, and focused on implementing and refining various "partnership" initiatives, realizing co-creation, co-sharing, and mutual success. The Company formulated the hierarchical policies for partners by product, by sector and by region, cultivated partnerships meticulously, beefed up leading superiority, established the unified financial settlement center and the Chief Engineer Office technical support platform that serve partners, and improved partners' ability to serve customers. It also empowered the corporate operation and professional and standard construction competence of partners, enhanced partners' overall delivery capability of serving end customers, and supported the continuous development of partners. By adhering to a results-oriented approach, the Company strengthened market presence, standardized market order, and built a marketing team capable of facing challenges head-on for the benefit of business and partners.

3. Prioritizing retail to strengthen the foundation of consumer building materials

In 2023, the Company's retail business recorded operating revenue of RMB9.287 billion, an

increase of 28.11% year on year, accounting for 28.29% of the Company's total operating revenue. The proportion of retail business has been progressively increasing. Civil Building Materials Group, upholding the dual main business strategy of waterproofing and moisture-proofing systems and the tile fitting and grouting systems, continued to increase its market share in waterproof, tile adhesive and grouting products. Meanwhile, it focused on dust-free, lightweight, plant-based, odorless and anti-bacterial product series, and expanded its C-end influence. Adopting a multi-category approach, it continued to cultivate putty powder and other wall auxiliary product lines, promoted the development of adhesive and tube product lines, and incubated new product categories such as kitchen and bathroom hardware, tool consumables, and household electrical wiring. In line with the core service concept of centering on customers, the Company gradually formed a one-stop building materials purchase platform for consumers, in a bid to provide consumers with a safe and reassuring living environment. For 2023, Civil Building Materials Group registered operating revenue of RMB8.18 billion, up 34.58% year on year. The building coating retail business implemented organizational structure adjustments centered on significantly enhancing operational quality. It further refined and improved aspects such as brand positioning, market expansion, and channel management. Using dual-brand positioning with "Caparol" and "Alpina" as entry points, the business relied on the German philosophy, technology, production process and quality and focused on four core areas: artistic coatings, interior wall coatings, exterior wall coatings, and basic auxiliary materials, exploring new ecosystems and profit growth opportunities in product development, production, sales, and technical services of the coating retail business. Building Renovation Group's Yuhong Home Delivery Service focused on the existing market, focused on primary-level communities, and is committed to opening up the "last mile" of Yuhong Home Delivery Service. With home renovation as the start point of business flow, Yuhong Home Delivery Service provided diversified home renovation, home decoration, and home living services and one-stop solutions, including leakage repair, door and window repair, air treatment, refreshing, HVAC repair, local and overall renovation, smart leakage check and entire-house water purification. The aim is to build a reliable brand in the home space improvement market well-known for "Yuhong Home Delivery, Your Only Choice", as well as to establish a standard, professional, systematic and connected platform for home delivery services.

4. Prioritizing overseas expansion to proactively develop overseas business

As the Company continues to deepen and advance its globalization strategy, it has actively deployed efforts around international exchange and cooperation, overseas intellectual property rights, and projects under the "Belt and Road" initiative, continually pushing its high-quality

products and high-standard services to overseas markets.

During the Reporting Period, the Company participated in numerous prestigious forums and exhibitions such as the 14th International Infrastructure Investment and Construction Forum in Macau and the SNEC 16th International Photovoltaic Power Generation and Smart Energy Conference & Exhibition. The Company's subsidiary, Caparol (China) Ltd., in collaboration with a German design brand, held the "German Day" Design Forum - DAW 2024 Sustainable Design "The Power of Green" Color and New Product Launch at the Shanghai World Expo Exhibition and Convention Center. Additionally, the Company hosted and participated in the 2023 (Shanghai) International Waterproofing Forum, and showcased at the 2023 China Roofing & Waterproofing Expo. Its subsidiary Mortar and Powder Technology Group Co., Ltd. appeared at the third Guangzhou International Construction Industry and Planning and Design Industry Expo 2023 & Guangdong-Hong Kong Construction Industry New Era Development Joint Exhibition (Engineering Trade Fair). The Company also attended the 134th China Import and Export Fair, the Shanghai International City and Architecture Expo 2023, hosted the Conference on Sustainable Development of Green Building Materials and International Cooperation, and participated in the Indonesia Jakarta International Building Materials Exhibition and the Dubai the Big 5 International Building & Construction Show in the United Arab Emirates. In February 2024, the Company will reappear at the World of Concrete in Las Vegas, USA, under the theme "Set Sail to Go Global, Open a New Cross-Border Chapter, Unite as One, and Strengthen Our Global Presence".

The Company has established subsidiaries or offices in multiple countries including Vietnam, Malaysia, Singapore, Indonesia, Canada, and the USA, laying a solid foundation for strengthening overseas business development and expanding international market reach. During the Reporting Period, the Company signed a strategic cooperation agreement with Arkaz, a subsidiary of Alturki Holdings in Saudi Arabia, making Arkaz the exclusive distributor in Saudi Arabia for the Company's thermoplastic polyolefin (TPO) roofing systems.

Moreover, the Company has accelerated the deployment of its overseas intellectual property. During the Reporting Period, the Company's key technologies and flagship products received patent grants in Australia, the USA, and others. Multiple products have also obtained international certifications such as the European Union's CE marking, the CRRC (Cool Roof Rating Council) certification from the USA, the USDA BioPreferred label, the UKCA mark from the United Kingdom, the WRAS (Water Regulations Advisory Scheme) certification for drinking water safety in the UK, EC1plus environmental certification in Germany, TÜV certification in Germany, Blue Angel environmental certification in Germany, and have passed the German E.L.F. testing, U.S.



Food and Drug Administration (FDA) standard tests, and the French VOC A+ label for highest environmental standards. These achievements further strengthen the Company's global technological edge, fully leveraging its R&D advantages to enhance global competitiveness.

The Company actively participates in construction projects overseas, such as the "Belt and Road" initiative. During the Reporting Period, the first high-speed railway in Indonesia and Southeast Asia, the Jakarta–Bandung High-Speed Railway, was officially inaugurated. The Company provided materials and technical support for this project, including SPU-361 high-strength polyurethane waterproof coating, polypropylene long-filament geotextile, and cement-based crystalline waterproof coating. The Company also participated in the handover ceremony for the 2023 Pacific Games stadium project in the Solomon Islands, providing waterproofing solutions for the main stadium's stands, infield surface, and basement areas using polyurea and polymer cement-based waterproof coatings, and APP waterproofing membranes. This contribution to the project was recognized as part of the "Belt and Road" green supply chain case by the All-China Environment Federation. Additionally, the Company supported the operational commencement of the Tel Aviv Red Line light rail project in Israel by supplying HDPE pre-applied self-adhesive polymer waterproof membranes. The Company is also involved in projects like the San Pedro Stadium in Côte d'Ivoire and the Dhaka to Bonga segment of the Padma Bridge railway connection in Bangladesh.

5. Leading the way in the industry to drive sustainable development through innovation, and cultivating a new ecosystem for intelligent manufacturing

The Company embeds the development philosophy of "Quality First, Innovation-enabled Empowerment" throughout its high-quality development process. During the Reporting Period, the Company steadfastly used scientific and research innovation to drive green, low-carbon sustainable development, continuously stimulating technological innovation and accelerating the tackling of key core technologies and industrial upgrading. Leveraging platforms such as the National Key Laboratory of Special Waterproof Materials, the Nationally Recognized Enterprise Technology Center, postdoctoral research stations, and the North American R&D Center, the Company focuses on current industry needs and trends. Integrating customer demands, low-carbon environmental protection, quality and efficiency improvement, lean management, and smart manufacturing, the Company applies new materials, technologies, and processes to enhance product and service quality and efficiency, reduce energy consumption, and decrease carbon emissions. Furthermore, the Company implements lean production management and innovates in R&D technology and the conversion of scientific and technological achievements, striving to build a high-quality scientific

research and innovation system. This forms a full lifecycle innovation ecological chain that integrated "fundamental research, technological breakthrough, commercialization of research findings and industrial integration". The innovation-driven development strategy is integrated into system construction, scientific and technological research and development, product quality, manufacturing, system services, talent development, and cooperative exchanges, continually shaping new drivers and advantages for development and cultivating a new ecosystem for smart manufacturing. As of the end of the Reporting Period, the Company held a total of 1,735 valid patents, including 443 invention patents (17 of which are valid oversea patents), 1,026 utility models, and 266 design patents.

(II) Industry Overview

1. Macroeconomic and industry indicators

According to data from the Statistical Communiqué of The People's Republic Of China on the 2023 National Economic And Social Development, the annual GDP was RMB126,058.2 billion, representing a 5.2% increase over the previous year. The annual value-added of industrial enterprises above a designated size grew by 4.6%, with manufacturing growing by 5.0%. In contrast, the non-metallic mineral products industry within these industries declined by 0.5%. Profits among these industrial enterprises in manufacturing totalled RMB5,764.4 billion, a decrease of 2.0%. The added value for construction was RMB8569.1 billion, which was an increase of 7.1% over last year. Fixed asset investment (excluding rural households) totalled RMB50,303.6 billion, marking a 3.0% increase. Infrastructure investment increased by 5.9%, investment in the social sector grew by 0.5%, and private fixed asset investment totalled RMB25,354.4 billion, a decrease of 0.4%. Within this, private investment in the manufacturing sector grew by 9.4%, and private investment in infrastructure rose by 14.2%. Nationwide, the renovation of various shanty towns initiated the refurbishment of 1.59 million housing units, of which 1.93 million units were primarily completed throughout the year. Additionally, 2.13 million government-subsidized rental housing units 'construction and organization began across the country. New projects for renovating 53,700 old urban residential communities were initiated, affecting 8.97 million households.

According to the China Building Materials Federation, the building materials industry prosperity index stood at 100.9 points in December 2023, a decrease of 1.0 point from the previous month, yet remaining above the critical point. This indicates that the production and operation of building materials fluctuated stably within the prosperous range throughout the year. The annual average of the building materials industry prosperity index was 101.9 points, also above the critical point, indicating stable operation within a prosperous range. In 2023, the building materials industry

generally showed a downward trend; however, the decline in major economic indicators slowed in the fourth quarter. Signs of stabilization at the bottom were observed, with industries such as green building materials and other new types of building materials maintaining a good development momentum. These sectors have played a significant role in driving growth and promoting the optimization and upgrading of industrial structures.

2. Overview of the Industry and the Company's Presence in the Industry

The Company principally competes in the waterproof building material industry, a segment of the building material industry. Waterproof materials are functional materials indispensable for modern architecture. As cities keep growing, waterproof building materials will be applied to more and more areas with great growth potential.

Currently, with low concentration, market fragmentation and unhealthy competition, the domestic construction waterproofing industry features "many small firms in a large industry". Among the many waterproofing firms, only a few can provide good services, while the many others are of small size with outdated technology and production technique. The market is flooded with counterfeit and shoddy products. And the industry is trapped in excessive lagged output capacity, unhealthy competition and environmental issues. In recent years, with the rollout of regulating and industry policies and standards concerning quality inspection, anti-counterfeit, environment inspection, safe production and green and energy conservation, etc., in addition to a product structure upgrade, higher quality requirements of downstream customers, and increasing competitiveness of large waterproofing companies, the market is witnessing increasing concentration towards leading companies.

Since its establishment, the Company has been providing high-quality, integrated building material and system solutions for major infrastructure constructions, as well as industrial, civil and commercial constructions at home and abroad. It is dedicated to solving construction safety problems caused by low-quality waterproofing and the high leakage rate. Upon more than two decades of experience in the building material industry, the Company has transformed and upgraded to be a domestic leader in terms of R&D, comprehensive product competitiveness, production process and equipment, application technology, marketing model, professional system service capability, brand presence, etc., with strong competitiveness and growth. It is considered a prominent presence in the industry.

The waterproofing industry encountered both opportunities and challenges in 2023. On one hand, the industry encountered some challenges, such as weak downstream demand and high bulk raw material prices. On the other hand, the industry saw an increase in concentration. The General Code

for Waterproofing of Building and Municipal Engineering (GB55030-2022) came into effect on 1 April, 2023, which is expected to improve the quality and increase the volume of the industry. Additionally, with the push from policies on high-quality green and low-carbon development, urban renewal, urban village transformation, and infrastructure investment, along with the rapid expansion of overseas business, the waterproofing industry is poised to embrace numerous opportunities.

3. Changes in relevant industry policies and specific impacts on the Company

The Central Committee of the Communist Party of China and the State Council issued the Outline for Building a Quality Strong Nation, which calls for enhancing the innovative drive for quality development, establishing a green orientation for quality development, accelerating the upgrading of product quality, improving the quality level of building materials, and enhancing the quality of construction projects. The Ministry of Industry and Information Technology, along with nine other ministries, issued the High-Quality Development Implementation Plan for the Green Building Materials Industry. This plan focuses on enhancing the vitality, influence, growth, and support within the green building materials industry's entire supply chain, outlining key tasks and protective measures for promoting high-quality development of the green building materials industry. The Standardization Administration and 10 other departments released the Guide for Building the Standard System for Carbon Peak and Carbon Neutrality, which focuses on basic general standards and the developmental needs of carbon reduction, carbon removal, and carbon markets, fundamentally establishing a carbon peak and carbon neutrality standard system. The National Development and Reform Commission and another department issued the Plan to Accelerate Energy Conservation and Carbon Reduction in the Construction Field, which requires continuous improvement in energy efficiency in the construction sector, reduction of carbon emissions, and acceleration in enhancing the quality of green and low-carbon development in the construction field. These policies positively encourage building material companies to fully implement the principles of quality development, green development, and low-carbon development. They foster a transformation towards green and sustainable development through their own scientific and technological innovation, process improvements, smart manufacturing, and green construction practices. With the issuance of policies related to peak carbon emissions and carbon neutrality, high-energy-output and environmentally friendly benchmark enterprises in the building materials industry will benefit, while outdated, non-energy-saving, and non-environmentally friendly enterprises will be phased out more quickly. On the other hand, this may also expand the market space for related industrial chain products and system services.

The General Code for Waterproofing of Building and Municipal Engineering (GB55030-2022)

coming into force during the Reporting Period enhances the working life of engineering waterproof design by clarifying and redefining the waterproof grade from two dimensions: engineering waterproof category and usage environment category. By strengthening the design, construction, quality inspection, and operation and maintenance throughout the whole life cycle, the standard improves the durability requirements of waterproof materials, increases the number of waterproof layers and material thickness, and meets the working life requirements of engineering waterproof design. This enhances the quality of waterproofing projects, laying a solid foundation for reducing building leakage rates comprehensively. Furthermore, the demand for high-quality waterproof materials will increase, leading to an overall improvement and growth in the industry. Various provinces and cities have also issued supporting documents and measures for the General Code for Waterproofing of Building and Municipal Engineering. The Company plans to capitalize on the implementation of the General Code for Waterproofing of Building and Municipal Engineering to fully explore opportunities brought by markets in old house renovations, urban renewal, home retail, commercial and industrial buildings, and international business, continuing to intensify efforts in technological innovation, optimize product structures, and expand application scenarios.

The Government Work Report states that efforts will be intensified to transform old urban residential areas and increase the supply of affordable housing; steadily advance rural reforms and development, deeply implement actions for rural construction; actively promote new urbanization, steadily carry out urban renewal actions, advance the construction of “dual-use” public infrastructure and transform urban villages, and accelerate the improvement of underground pipelines among other elements. The Report also emphasizes the need to enhance regional coordinated development, strengthen post-disaster recovery and reconstruction, and push forward the construction of flood control, drainage, and disaster-resistance infrastructure. Furthermore, a series of policies have been issued such as the Guidelines for Actively and Steadily Promoting the Transformation of Urban Villages in Mega and Large Cities, the Opinions of the CPC Central Committee and the State Council on Comprehensive Advancement of Key Tasks for Rural Revitalization in 2023, the Guidelines for Planning and Building Affordable Housing, and the Opinions of the CPC Central Committee and the State Council on Comprehensive Advancement of Building a Beautiful China. These policies offer market opportunities for the Company to achieve diversified high-quality and robust growth.

The General Office of the CPC Central Committee and the State Council Office issued the Opinions on Deepening the Construction and Reform of the Modern Vocational Education System, which mandate the enhancement of the quality, adaptability, and attractiveness of vocational education,

training more high-quality technical and skilled talent, proficient artisans, and national craftsmen; aligning with the forefront of industrial development, and constructing open regional centres for industry-education integration that combine practical teaching, social training, real production, and technical service functions. The National Development and Reform Commission along with seven other departments jointly issued the Vocational Education Industry-Education Integration Empowerment and Enhancement Action Implementation Plan (2023-2025). By 2025, approximately 50 national industry-education integration pilot cities will be established, constructing and nurturing over 10,000 industry-education integrated enterprises nationwide, with a well-developed institutional and composite incentive policy system for industry-education integration, steadily increasing various types of funding for vocational education, better integrating industry demands throughout the talent training process, and gradually forming a development pattern of coordinated and mutually beneficial integration between education and industry.

According to data from the China National Building Waterproof Association and estimates by the World Green Building Council, the construction industry accounts for approximately 40% of global carbon emissions. Promoting green buildings can save 50% of energy, 60% of water resources, reduce 80% of waste production, and cut 45% of carbon dioxide emissions. In recent years, several countries have actively promoted green building by creating green communities, enhancing building energy efficiency, and enforcing strict certification standards, thereby pushing for more buildings to achieve energy conservation and carbon reduction, such as the UAE's green harmonious communities, Spain's support for housing energy-saving renovations, and Mexico's regulation of green building certification standards.

In response to domestic and international policies related to the building materials industry, the Company has organized serious studies from policy research, product development, process improvement, production and sales, standardized construction and training of construction workers, environmental protection measures, and other comprehensive areas. It explores paths for green and sustainable development, seizing opportunities, and fully leveraging and expanding the Company's comprehensive competitive advantages in branding, product research and development, product quality, product categories, cost benefits, marketing networks, and application technology. The Company applies its high-quality products and professional system services to more global scenarios, driving industry sustainable development through innovation, creating a quality human living environment, and enhancing the quality of life.

4. Periodicity, seasonality and regionality of the industry

(1) Periodicity. Waterproof building material industry is a fundamental industry in the field of

building materials, without clear periodicity. (2) Seasonality. Waterproof building material industry has seasonality to a certain extent. In North China, the first quarter of each year is generally the slack season for the sales of waterproof building materials and engineering construction because of cold weather. In South China, the seasonality of waterproof building materials is mainly reflected in the reduction in construction in rainy seasons. (3) Regionality. The economic transportation radius of waterproof building materials is approximately 500 kilometers, so this industry has certain regional characteristics. The enterprises in the industry are generally of small scale, and many of them limit the sales of waterproof materials to the regions where the materials are produced, further reinforcing the regional characteristics of the industry. Therefore, in order to grow bigger and stronger in the industry and increase market shares, it is all the more necessary for enterprises of this industry to build production bases at home and abroad and actively conduct cross-regional business.

The Company has built R&D centers for production and logistics in regions such as North China, East China, Northeast China, Central China, South China, Northwest China, and Southwest China. Additionally, it intends to build factories in Southeast Asia, the Middle East, North America, etc. to cater to customers worldwide. Its production capacity is arranged extensively and rationally to ensure that its products can be sold to markets nationwide at lower warehousing and logistics costs, and that coordinated production and shipment are realized all over the country. Therefore, the Company enjoys competitive advantages unmatched by its competitors in respect of satisfying customers' diverse product demands and the supply requirements nationwide.

5. Main raw materials of products and their supply

Main raw materials required by the Company's production include asphalt, SBS modifiers, polyester asphalt, emulsion, polyether, TDI, MDI and TOP resin, among others. The supply is sufficient and stable. Among them, asphalt is one of the main raw materials of the Company. During the Reporting Period, the prices for some raw materials represented by asphalt were generally lower than those in last year but remained at high levels, which imposed a certain impact on the overall gross margin of the Company. With the mature and complete raw material procurement system, in order to cope with the volatility risks of price fluctuation for raw materials, the Company leveraged the advantages of scale operation and set up strategic cooperation relationships with main upstream raw material suppliers, ensuring that the Company can steadily procure main raw materials at a relatively low price in a long term to reduce the production cost of products. In addition, the purchasing department made reasonable purchasing plans for major materials by accurately grasping the market tendency. All departments efficiently worked together

to control costs through advanced technologies, advantages of centralized procurement of main raw materials, improvement of ability for price negotiation, and scale benefits. Furthermore, based on the demand for production and management and the industry market, the Company also reduced procurement costs by purchasing in slack seasons or making proper purchasing plans. In addition, in order to ensure the stability of the supply of some key raw materials and further optimize raw material costs, the Company's industrial chain has been extended to some upstream raw materials such as non-woven fabrics, functional films, VAE emulsions and VAEP adhesive powders, so as to enhance the Company's anti-risk ability in the procurement process and expand its cost advantages.

II. Principal Activities or Products in the Reporting Period

(I) The Company's Principal Activities

The company pursues high-quality and steady development. It is a provider of building materials and systems with waterproofing as the core business, extending to civil building materials, mortar powder, building coating materials, energy-saving and heat preservation, adhesive, pipes, building repair, new energy, non-woven fabric, specialized film, and emulsion etc.

The Company provides quality products and professional system services for buildings, high-speed railways, metro and urban railways, highways & urban roads and bridges, airports, water conservancy facilities, utility tunnels, etc. The Company's products have been used in China's iconic buildings such as the Chairman Mao Memorial Hall, the Great Hall of the People, the National Convention Centre, the Bird's Nest, the CITIC Tower and the Beijing Daxing International Airport, as well as in the country's major infrastructure projects including the Hong Kong-Zhuhai-Macao Bridge, the Beijing-Shanghai high-speed railway, the Beijing Sub-center Integrated Pipe Corridor, Jakarta-Bandung High-Speed Railway in Indonesia, White Water Hydropower Station Project in Indonesia, Singapore Subway, Karachi Nuclear Power Project in Pakistan, and Forest City Project in Malaysia. The Company has provided high-quality system solutions for tens of thousands of major infrastructure construction and industrial buildings as well as civil and commercial buildings around the world.

The Company sees "for the motherland, for the society, for customers, for employees and shareholders" as its corporate tenet, "serving the country by developing industry, benefiting the people with good services" as its guideline, and "building a durable and safe environment for human beings and the society" as its corporate vision. In addition to the core business of building waterproofing, the Company is also engaged in civil building materials, mortar powder, building coating materials, energy-saving and heat preservation, adhesive, pipes, building repair、new energy, non-woven fabric, specialized film, and emulsion etc. It owns many brands and business

lines: Oriental Yuhong (waterproofing), Fasion (waterproofing), Yuhong Waterproof (civil building materials), Vasa (specialized mortar), BiAn (putty powder), DAW (building coating), Albena (architectural coatings), Hongjia Paint (Industrial Paint), Lodi Technology (diatom mud), Wonewsun (energy saving and heat preservation), Fudatec (energy saving and heat preservation), InfinShine (energy saving and heat preservation), Yuhong glue (adhesive), Yuhong Pipe (pipe industry), Oriental Yuhong Building Repair (building repair), Yuhong Home Service (building repair), Hongsheng New Energy Technology Co., Ltd. (new energy), Top (non-woven fabric), Gold Machilus (specialized film), Hongshi Technology (fine and specialty chemicals), Zhong Ke Jian Tong (formation improvement and engineering rehabilitation), vocational training, and Oriental Yuhong roofing tile system (construction roofing tile system).

1. Engineering business. During the Reporting Period, the Company deepened the integrated operations of provinces and regions, promoted the organizational structure reform, empowered channel development, continued channel sinking to created channel leading advantages. Each regional integrated company fully consolidates local customers and market channel resources by focusing on the local market and local exclusive operations, and strengthens its regional market coverage and penetration by developing and empowering various partners. In so doing, the Company continuously eliminates blank markets and weak markets. By prioritizing channels, optimizing direct sales, and working together across business lines, the Company offers better services to the market and customers, thus increasing its market share.

During the Reporting Period, the Company insisted on expanding of partners, continued to empower partners to develop, constantly summarized and promoted the successful experience of “partnership mechanism” in engineering channels, and upgraded the partnership mechanism in an all-round way by relying on comprehensive advantages of product strength, brand and resources, developed partners who recognized the Company’s culture and development concept, and strengthened the support for the partners by perfecting market management and credit management and cultivating their management capabilities, business development capabilities, technical capabilities and service capabilities. Through the concerted development of diversified businesses, and by continuously enriching product categories, improving product quality, optimizing product structure, upgrading product strategies, the Company is able to sustainably improve product strength and system service capabilities, so as to expand the application scope of the construction and building materials to empower engineering business. Also, the Company further consolidated and developed the strategic cooperation with large enterprise groups, actively expanded customer resources, and increased the sales and promotion efforts in the non-real estate sectors such as

infrastructure construction, new urban infrastructure, industrial and mining warehousing and logistics, affordable housing, urban village renovation and urban renewal. Not only that, the Company also upgraded market control measures and continuously improved market order by strengthening internal sales control and product traceability measures.

2. Retail business. During the Reporting Period, the C-end retail business represented by Civil Building Materials Group, Architectural Coatings Retail and building repair group Yuhong Home Service maintained a steady growth trend based on its accumulated strength. During the Reporting Period, the company continues to expand the field of civil building materials and vigorously develops retail business. By strengthening the brand, upgrading services, expanding categories, and expanding channels, it continues to improve user experience and enhance core competitiveness. In 2023, the company's retail business achieved operating income of 9.287 billion yuan, a year-on-year increase of 28.11%, accounting for 28.29% of the company's operating income, and the proportion of retail business has gradually increased.

(1) Civil Building Materials Group

During the Reporting Period, the Civil Building Materials Group always focused on the dual main business development strategy of waterproof and moisture-proof system and paving and seaming system, and continues to expand the market share of waterproofing, ceramic tile adhesives, and aesthetic seam products. At the same time, the Company lays out business on dust-free, lightweight, plant-based, odor-free, and antibacterial products to increase its C-end influence. By following the multi-category development path, the Company continues to cultivate wall auxiliary product lines such as putty powder, promote the development of glue and pipe industry product lines, and incubate new categories such as kitchen and bathroom hardware, tool consumables, and household wires. In line with customer-centered core services concept, the Company is gradually forming a one-stop platform for consumers to purchase construction and building materials, providing consumers with a safe, secure and worry-free home environment. In 2023, the Civil Building Materials Group realized business income of RMB 8.18 billion, up 34.58% year-on-year.

1) Brand development: Through online media matrix communication, offline advertising, deployment in service business, etc., the Company links the entire population to enhance the influence of the brand and all categories of products. The Company adheres to the core orientation of users' actual needs and achieve simultaneous improvement in quality and efficiency of offline physical stores and online e-commerce channels. By increasing the number of outdoor advertisements, high-speed train advertisements, naked-eye 3D advertising in high-speed rail stations, LED advertising on landmark buildings, etc., the Company improves its advertising reach

rate by high content quality, thus a communication matrix for multi-dimensional communication is formed which captures online and offline public domain traffic, and increases brand influence and shapes brand awareness.

2) Channel development: Through intensive channel cultivation, channel sinking, and the improvement of channel operation quality, the Company ensures the sustained, rapid and healthy development of channels, and further expands the city coverage of various product categories. The Company attaches importance to dealer training and echelon construction, and the cultivation of dealers' corporate operations in order to improve the service quality and operation efficiency. Apart from that, the Company optimizes channel classification, standardizes work processes such as visits, and enhances traditional strong channels. The sales organizational structure is optimized to adapt to the development needs of multiple categories and channels. By using digital platforms to achieve online management of sales personnel, the Company has created a convenient and efficient management model. As of the end of the Reporting Period, Civil Building Materials Group made remarkable achievements through key measures such as eliminating gaps, expanding product categories and strengthening distribution. It gained more than 5,000 distributors, more than 220,000 distribution outlets. Meanwhile, it continued to strengthen cooperation with decoration companies to achieve strong brand alliance.

The specialty store channel takes the store as the center and provides in-depth empowerment from the aspects of products, systems, shopping guides, membership, etc., to create a unified retail strength in all aspects. Focusing on product upgrades, and launching new products such as the Zhen series, the products in specialty stores are more environmentally friendly and more complete. In order to provide enhanced customer experience, gold medal shopping guide butler-style services and localized delivery of online orders are provided, giving the consumers more professional and convenient services. Centering on digital upgrades, the Company lays out a unified retail management system and supports a strict price audit mechanism to allow consumers to buy with more confidence.

E-commerce channels have been further improved. Key categories such as waterproofing and seams have been successfully become hot sales products on the e-commerce platform. Linking offline channels, it achieved effective closed-loop links in service areas such as waterproofing double-package, waterproofing repair, seam construction, and paint application, which greatly increases service orders. At the same time, for products such as adhesive tiles of which delivery is at the core of customer experience, the Company actively promotes the model of online customer acquisition plus offline delivery to provide efficient and high-quality service experience to consumers. The

Company has opened stores and accounts on e-commerce platforms such as Douyin, Kuaishou, and Xiaohongshu. Emerging e-commerce methods such as live streaming have gradually become an important new part of e-commerce channel business.

3) Membership operation: The Company accelerates the construction of the membership system with "Honggehui" as the core, and builds a comprehensive operation system structure of "company-dealer-store-membership". Foreman members can purchase products, receive training and certification, and redeem points and get other benefits on the "Honggehui" membership platform. At the same time, the platform organizes skills competitions and training certifications for foreman members, who are deeply tied to national specialty stores to enjoy exclusive membership services in specialty stores. As of the end of the reporting period, the number of "Honggehui" members has exceeded 2.7 million.

4) Product development: China Civil Engineering Construction Group is committed to providing consumers with high-quality products that are environmentally friendly, efficient, energy-saving, low-carbon and safe. In 2023, the Company successively launched natural and renewable "bio-based" waterproof coatings, odor-free and environmentally friendly series waterproof coatings, lightweight and low-carbon sound-insulating tile adhesives, dust-cleaning and mildew-proof tile adhesives, beauty trimming glue with an antibacterial rate of bigger than 99%, exposable roof coatings, yellowing-resistant polyurea caulking agent, and antibacterial tubes and other innovative products. At the same time, the products have successively obtained China Environmental Certification (Ten Rings), the French VOC label's highest environmental level A+ standard, German EC1plus certification, CIAA antibacterial mark, green product certification, green building materials certification, and WRAS British drinking water safety certification.

5) Service layout: The Company has upgraded the service system and launch the full-link service system of "Yuhong Reassuring Service" to create a one-stop home service platform integrating products, services and guarantees, covering give major service areas including Yuhong housekeeping service, Yuhong waterproof delivery service, Yuhong paving delivery service, Yuhong beauty seaming service and Yuhong repair service. By establishing a full-process mechanism such as product application, standardized construction, standardized service procedures, and after-sales quality assurance, and using the digital management platform as the starting point, the Company can accurately address the actual needs of consumers on the one hand, and work more closely with the dealers on the other.

(2) Retail of architectural coatings

During the reporting period, the architectural coatings retail business implemented an

organizational structure adjustment with improving its operating quality as the main focus. The architectural coatings retail business was managed by China Civil Engineering Construction Group. Based on the management experience, customer resources, its coordinated sale channels and the brand influence accumulated by China Civil Engineering Construction Group in the retail field, resources are well consolidated and managed in an efficient and collaborative manner to promote high-quality and sustainable development of the architectural coatings retail business. The business units are required to benchmark China Civil Construction Group to coordinate their operation and management by regions, and merge its personnel management in order to improve human efficiency.

During the reporting period, the architectural coatings retail business further sorted out work such as brand positioning, market expansion and channel management. The dual brand of "Caparol" , a German functional paint, and Alpina, a skincare like paint, are the entry point. The century-old Caparol represents German quality and German meticulous craftsmanship, using sustainable environmental protective and innovative formulas. Alpina protects what you love, you see, you dare and you think with German quality. These two brands redefine customers' brand recognition, forming four core business areas including art paint, interior wall paint, exterior wall paint, and base and auxiliary materials, which lays the foundation for the new ecology of R&D, production, sales and technical services, driving new profit growth for the retail business.

During the reporting period, the architectural paint retail business focused on the main paint products, continued to explore reasonable layout of product lines, optimized product structure, upgraded product performance, environmental protection levels, categories and services, and created differentiated product lines from a consumer perspective. The Company reconstructed the front-end segmentation and back-end synergy of the dual brands "Caparol" and "Alpina", which extends the brand breadth and depth and increase dual-brand coverage. In the meanwhile, the Company strengthens channel management and control, broadens channel dimensions, and continues with channel sinking and empowerment.

By making full use of the channel resource synergy of business sectors such as the Civil Engineering Group and the Building Repair Group, the Company is able to draw on channel development experience and advantages to cultivate and improve the quality of its own channel expansion on the one hand, and tap potential customer groups to effectively drive sales of all product categories on the other. In terms of membership operations, the Company establishes member customer portraits, targets at professionals, and combines multiple marketing methods to increase member stickiness in order to encourage members to repurchase. By improving

membership linkage mechanisms with offline stores and other channels, the Company has built a high-quality customer circle that improves quality and profits.

(3) Building Repair Group -Yuhong Home Service

Yuhong Home Service of the Building Repair Group focuses on the existing market, continues to improve the service system, refines service areas, and sinks channels to the communities. It is committed to opening up the "last mile" of Yuhong Home Service, using home repair as the entrance to business traffic. Focusing on home repair, home decoration, and home furnishing, the Group has formed a diversified service model and one-stop solution such as water leakage repair, door and window repair, air management, refreshing services, HVAC repair, office renovation, smart leak detection, and whole-house water purification. The Group created a regular force in the home space improvement market under the slogan of "Yuhong Home Service, Your Perfect Choice", and built a standardized, professional and systematic home service interconnection ecological platform. As of the disclosure date of this report, Yuhong Home Service has deployed more than 1,200 operation centers and community service stations in 153 cities in 29 provinces (municipalities) across the country, realizing the "1,000 stores in 100 cities, " plan. At the same time, Yuhong Home service operation centers have been opened in Ho Chi Minh City, Vietnam, Kuala Lumpur, Malaysia, and Manila, the Philippines.

As of the disclosure date of this report, Yuhong Home Service has reached comprehensive cooperation with Beijing Institute of Building Materials Inspection Co., Ltd. on the indoor leakage intelligent detection system business, and has cooperated with Zhonghong Tianxin Group on home space upgrading and renovation solutions. The Company carried out in-depth cooperation with 58.com in business expansion, resource sharing, market development and other aspects, and reached strategic cooperation with Shimao Tiancheng Property Service Group Co., Ltd. and China Railway Construction Property Management Co., Ltd. Wuhan Branch to boost its service quality. In addition, Yuhong Home Service has been launched on the Beijing TV Life Channel to provide an in-depth demonstration of the pain points caused by leaks in residents' houses, demonstrating Yuhong Home Service's professional, quality and reassuring processes around leakage repairs, further expanding the brand's influence.

3. Emerging businesses. During the reporting period, the business sectors represented by Sand Powder Technology and Hongsheng New Energy were deeply cultivated and are gaining momentum.

(1) Sand Powder Technology Group, with Vasa and BiAn as its two major brands, is committed to

becoming a one-stop sand powder supplier that always adhered to the business philosophy of “saving the trouble of customers and making them feel reassured and relaxed”. Relying on Oriental Yuhong's advanced management concepts, lean production system, excellent R&D and application technology team, and taking multi-channel layout as the cornerstone, it is involved in special mortars, construction powders, grouting materials, ALC air-entrained blocks, high-quality sand and its products, etc. The Company continues to expand its market share in mortar powders and enhances its brand influence. During the reporting period, while continuing to steadily develop its five major product systems including tile paving system, wall coating system, thermal insulation bonding system, floor leveling system, and infrastructure system, it also actively deployed to expand categories, expand channels, strengthen services, and jointly develop profit strategy, vigorously promote the research and development and supply of new products such as waterproof mortar, decorative mortar, and floor system accessories, as well as the exploration and application of new technologies such as lightweight tile adhesive, low-carbon cementitious materials, and gypsum retardation technology to satisfy customers requirements for different application scenarios. In view of the sensitive question of transportation distance of construction sand powder products, the Company optimized national production bases which lays a good foundation for gradually shortening transportation distance and achieving 24-hour delivery within the radius of 200 kilometers nationwide.

Sand Powder Technology Group relies on the company's retail channel network layout to rapidly increase the coverage of sand powder products. On the engineering end, with the factory as the starting point, they have established an integrated company of "sales, technology, supply, production and services" to fully improve response speed and service quality. As of the end of the reporting period, the Company had developed and cooperated with nearly a thousand professional sand powder channel distributors across the country. The central laboratory of Sand Powder Technology Group passed CNAS accreditation during the reporting period, indicating that the laboratory has reached international recognition standards in terms of hardware facilities, testing capabilities and management levels.

(2) During the Reporting Period, based on its research and development achievements, leading technologies, product systems, system services and abundant practical experience in the distributed photovoltaic field, the subsidiary Hongsheng (Beijing) New Energy Technology Co., Ltd. (also known as Hongsheng Technology) integrated the photovoltaic business and photovoltaic industry chain and products, and was committed to becoming a sustainable and safe new energy system operator. Hongsheng New Energy has upgraded its brand and strengthened brand

communication and recognition. It has also upgraded its business system. Its business areas cover four major sectors: industrial and commercial distributed photovoltaics, high-end civil photovoltaic green electricity, industrial and commercial energy storage and photovoltaic product trade, including industrial and commercial distributed photovoltaic projects. General contracting (EPC), energy management contract (EMC), investment, operation and maintenance, energy storage system, integrated light storage and charging services and comprehensive energy supporting services. Among them, the "Hongding" industrial and commercial distributed photovoltaic roof system can meet the needs of distributed photovoltaic construction for various types of roofs, and has been successfully used in many projects such as automobile factories, data centers, and the company's own new and existing production, R&D and logistics bases. The Company launched the Hong + villa green power system, independently developed high-end household energy storage inverters, energy storage, charging piles and other series of products, entered the C-end villa optical storage and charging track. The Company is actively exploring the North American and Southeast Asian markets while keep expanding domestic market. During the reporting period, the Company carried out strategic cooperation with China Electric Power in terms of new energy research, construction waterproofing photovoltaic integration and energy storage. Hongsheng New Energy signed a strategic cooperation with Huaneng Beijing Thermal Power Co., Ltd. to promote in-depth cooperation in the fields of energy conservation and consumption reduction, photovoltaic construction, green buildings and other business areas. In addition, it has also joined hands with JA Solar Technology Co., Ltd. to establish Yuhong Jingao New Energy Technology Co., Ltd., and cooperates with upstream and downstream photovoltaic companies such as Longi Green Energy and Baobi New Energy to seek market opportunities and promote the development of the photovoltaic industry. In the future, Hongsheng New Energy will continue to rely on its strong nationwide sales system, innovative new energy roof system solutions, good brand influence and system service capabilities to rapidly develop integrated energy businesses such as wind and solar energy storage, and to enable green and sustainable development with science and technology.

(III) Sales Model

According to the different uses and target users of products, the Company has established a multi-level marketing channel network combining direct marketing and channel marketing to sell products and provide systematic services in view of the existing market characteristics and future market development orientation:

The direct marketing mode means that the Company directly provides product development and

sales and other services for the end-use customers. The Company signs strategic cooperation agreements or long-term supply agreements with a number of high-quality real estate companies and enterprise groups. In industrial construction, energy construction, railway, highway, rail transit, tunnel and underground engineering, livelihood engineering and other professional markets, the Company directly contacts with customers to enhance mutual trust, and establishes long-term and stable partnership in material supply and systematic services. The direct marketing mode provides an important guarantee for enhancing the Company's industry visibility. The channel marketing mode means that the Company provides product development and sales and other services for the end-use customers through distributors and other channel partners. The channel marketing mode consists of engineering channel and retail channel. The company has signed contracts with a number of distributors and established a reasonable, risk-controllable, cost-effective and dynamic distributor network system. Through continuous strengthening of the system training and service of distributors, the distributor network has gradually developed into an important sales channel for the Company to expand the national market.

At present, the Company has formed a multi-dimensional engineering marketing network combining direct marketing mode with engineering channel distributor mode, as well as a civil building materials marketing network with retail channel distributor mode at the core.

1. The Company focuses on the engineering market in North China, East China, and South China, and its specialized subsidiaries and business departments are responsible for the sales of products and the rendering of services in the special fields of railway, highway, rail transit, industrial construction, energy construction, underground engineering and other professional market segments. Among them, provincial and regional integrated subsidiaries and centralized procurement business departments have been built in North China, East China and South China. The centralized procurement business departments focus on serving large-scale strategic cooperation customers nationwide, and actively promote the cooperation with centralized procurement customers by signing strategic cooperation agreements or long-term supply agreements. Each regional integrated subsidiary is responsible for the sales and services of the Company's products in the local engineering market. By focusing on the local market, territorial franchise and continuous sinking of channels, developing and empowering various partners to strengthen market coverage and penetration in their respective regions, the Company strengthens its presence in regional markets, and cooperates with all sales channels and business lines to enhance local market share. In the meantime, the Company makes full use of the customer resources and synergetic sales channels accumulated over the years in the

waterproofing industry to develop mortar powder, building coatings, thermal insulation and energy conservation businesses, and to provide customers with reliable building materials system solutions.

2. Retail channel distributors, which are respectively managed by the Civil Building Materials Group, the Architectural Coatings Retail Business and the Yuhong Home Service under the Company, serve the general consumers in the home decoration and renovation through the establishment of an integrated marketing network of home decoration companies, building materials supermarkets, building materials markets, operation center, community service station distributors and e-commerce.

III. Analysis of Core Competitiveness

Aiming to become "the most valuable enterprise in the global construction and building materials industry", the Company insists on leading the sustainable development of the industry driven by innovation, creating a quality human living environment and improving quality of life. The Company attaches great importance to quality for future development and has provided topnotch and complete system solutions for major infrastructure projects as well as industrial, civil and commercial buildings, which has secured its position as an industry leader with a strong competitive edge.

1. Brand advantage. As the first listed Chinese company in the industry, the Company has gained its brand advantage with its devotion to product quality and continuous expansion of application scenarios and application fields. Since its establishment, it has undertaken a great deal of waterproofing business for major infrastructure projects, national key construction projects and upgrade projects, contributing to its outstanding performance, wide recognition, brand presence and advantage. Until now, Oriental Yuhong has not only become an industry brand but also a household name. In addition, brands owned by the Company such as Yuhong Waterproof, "Yuhong Piping", Vasa, BiAn, DAW, Wonewsung, Yuhong Building Repair, "Yuhong Home Service", Hongshi Technology, Tiandingfeng, Gold Machilus and Hongshi Technology have all built a strong brand image with increasing influence in each sector, forming a brand matrix that is continuously improved.

As of the disclosure date of the Report, the Company has been listed among 2023 Top 100 China Brand Evaluation, "Fortune's Top 500 Chinese Listed Companies in 2023", "2023 Global Building Materials Listed Companies Comprehensive Strength Ranking", "Top 100 ESG Listed Companies in China", was selected as "Brand Value Leader" and "Brand Unit with Outstanding Contribution"; was selected into the list of "Digital Pilot" enterprises by the Ministry of Industry and Information



Technology, and won the "2023 IDC China Future Digital Industry Leader" and "20th People's Originality Award for Originality Brand Award", the 5th New Fortune "Best Listed Company", Panoramic Investor Relations Gold Award for "Outstanding IR Company", "Outstanding IR Team", "Best Small and Medium Investor Interaction Award" and "The Best Best Media Operation Award" and other honors. The company has also been awarded the titles of "Influential Brand of Engineering Waterproofing", "Influential Brand of Waterproof Membrane", "Influential Brand of Polymer Waterproof Membrane" and "Polyurethane Waterproof Material". Oriental Yuhong Civil Building Materials Co., Ltd., a subsidiary of the company, was awarded the "Industry Leading Brand in the 2023 China Home Furnishing Champions List", "Influential Home Decoration Waterproof Brand", "Influential Waterproof Coating Brand", "Influential Tile Adhesive Brand", "Influential Beauty Seaming Agent Brand", "Influential Brand of Putty Powder", "Top Ten Most Influential Brands of Adhesives in China's Tile Pasting Industry in 2023", "The Most Propelling Enterprises in China's Ceramic Tile Pasting Industry in 2023", "China's Most Influential Brands in Tile Pasting Industry in 2023" "Golden Sand Award" for annual product in the ceramic tile pasting industry. The company's subsidiary Dongfang Yuhong Sand Powder Technology Group Co., Ltd. won the title of "Enterprise with Outstanding Contributions to the Gypsum Industry" and "Influential Brand in the Ready-Mixed Mortar Industry in 2023", and its brand "Huasha" won the "2023 China Home Consumption Trend Research Auxiliary Materials Industry Model" Titles and "Sample Enterprise" and "Consumers' Favorite Tile Adhesive Brand". Deaiwei (China) Co., Ltd., a subsidiary of the company, won the three-star certification of "China Green Building Materials Products", the "Baihua Award 2023 Top 30 Chinese Art Coatings Brands" award, and the "National Quality Inspection Integrity Enterprise Award" issued by the China Quality Inspection Association. It also won "National Painting Industry's Leading Quality Brand", "National Quality Inspection Trustworthy Product" and many other recognitions, and won the titles of "Influential Brand of Engineering and Architectural Coatings", "Influential Foreign Brand of Wall Paint" and other titles.

2. R&D advantage. As National Demonstration Enterprise of Technology Innovation and National High and New Tech Enterprise, the Company has been approved to build a State Key Laboratory of Special Functional Waterproof Materials and owns R&D platforms including a National Enterprise Technology Center and Post-Doctoral Scientific Research Station. The company actively responds to the national "dual carbon" strategy, realizes the application of green and low-carbon technologies on product research and development and technological innovation, and continues to create energy conservation and emission reduction throughout the life cycle. The Company has improved its R&D system that consists of four R&D centers in product R&D, application technology,

technological equipment and construction technology. In order to synchronize its scientific and research development with the rest of the world, the Company established Oriental Yuhong Center of Global Excellence R&D for Waterproof Coating in Philadelphia (North American R&D Center for short), taking its R&D capability to the highest level among the global counterparts. The Company and Wanhua Chemical Group set up a joint laboratory of “waterproof materials” to promote the breakthrough and application of new materials, new technologies and solutions, and form an efficient two-way cycle from technology research and development to product landing.

The Company also accelerated the securing of overseas intellectual property rights and enhanced its international cutting-edge technological strength, so as to give full play to its advantages in product research and development and enhance its global competitiveness. In addition, the Company integrated environmental protection, high efficiency and intelligent development into R&D, production and construction, and actively explored the sustainable development path of “green design, green production, green construction and green building”. During the Reporting Period, the Company’s “HWR101 High Water Resistant Super Flexible Waterproof Coating” developed by the North American R&D Center was granted invention patent certificates by the Australian Patent and Trademark Office, and previously it has been granted invention patent certificates by the United States Patent and Trademark Office, the Indian Patent Office and Chinese Patent Office respectively. This product breaks the barrier that water-based waterproof coatings cannot be immersed in water for a long time, and has been successfully used in pool-type projects with long-term water environments such as swimming pools and fire-fighting pools, broadening the application fields of water-based waterproof coatings. The company's "Yuhong Pipes" has obtained the EU CE certification Certificate. The Company independently developed product "butyl rubber reactive adhesive layer for pre-laying reactive adhesive waterproofing membrane, its preparation method and pre-laying reactive adhesive waterproofing membrane" has obtained an invention patent certificate issued by the United States Patent and Trademark Office. This invention patent has been authorized in China, Europe, the United Kingdom, Germany, Singapore and other countries and regions. The company's hot-melt modified asphalt coil automatic paver "Tandu JCJR-100" has obtained an invention patent certificate issued by the United States Patent and Trademark Office. "Tandu JCJR-100" was independently developed by the Company and has a thermal energy circulation system and a compaction system, combustion system, automatic walking system and other integrated intelligent equipment, while effectively improving construction quality and saving labor costs. It is also low-carbon, environmentally friendly and reduces energy consumption. In addition, the "BCW-408 high-strength water-based rubber asphalt waterproof coating", which is

suitable for various application scenarios such as garage roofs and roof waterproofing projects, won the First Prize of the 2023 "Building Waterproofing Industry Science and Technology Award - Technological Progress Award" from the China Building Waterproofing Association for its comprehensive performance advantages of high efficiency, safety, environmental protection, and low carbon. The Company independently developed "an organic-inorganic composite coating and its preparation method" which was successfully selected for the "24th China Patent Excellence Award", and the complete set of technologies and engineering applications with this patent as the core has previously won the second prize of the 2019 "National Science and Technology Progress Award" for its application of high-performance multi-material multi-layer polymer membranes for underground space waterproofing protection.

The Company has introduced outstanding technology talents from home and abroad, built a chief scientist mechanism and an international R&D team incorporating 7 academicians of Chinese Academy of Engineering, 7 internationally-renowned scientists and 25 technology leaders.

3. Production capacity layout advantage. The Company has set up production, logistics and R&D bases in north China, East China, Northeast, Central China, South China, Northwest and Southwest, with a widespread and reasonable productivity distribution. At the same time, with the help of modern production and operation management models such as intelligent manufacturing, "5S management" and lean production, the Company actively promotes the in-depth application of high and new technologies in R&D and design, production and manufacturing, marketing services, operation and management, and continues to create and improve the new smart industry ecology that integrates "automation, digitalization, leanness, integration, and intelligence". Through smart production lines, smart warehousing, smart supervision, and other whole-process smart management and control, the Company is able to improve production efficiency and warehousing operation efficiency, so that the Company's products radiate to the national market with lower warehousing and logistics costs, achieving nationwide coordinated production and delivery, thus forming an advantage in meeting customers' needs for diversified products and national supply requirements, a competitive advantage that is unmatched by competitors. In addition, the Company implemented advanced planning and scheduling (APS) in workshops, made full use of digital means to solve numerous problems of waterproof materials and building materials products in sales demand side and back-end supply connection, playing an important demonstration role in balancing production planning, reducing production risks, improving scheduling accuracy and production efficiency, and improving the overall level of enterprise informatization. During the reporting period, Jinan Oriental Yuhong successfully put its asphalt membrane production line into trial

production at its production, R&D and logistics base. The production line uses the industry's advanced RTO rotary flue gas treatment equipment to achieve "full chain, full cycle" green and environmentally friendly production.

4. Cost advantage. The company's main assembly lines are introduced and designed from abroad. Characterized by stable performance, high efficiency, low energy consumption and high product yield, that ranks high in the Asia-Pacific region. The company keeps exploring lean manufacturing with innovation as the core, boosting the assembly line efficiency, increases the product performance stability, thus the production cost is minimized to the largest extent; The company also leads the industry in the production scale and capacity utilization, giving the products a bigger advantage over its competitors. Large-scale production brings down management costs and expenses; By virtue of scale management advantage and strategic cooperation relations with major raw material suppliers, the company can purchase major raw materials at relatively low prices in a long-term and stable manner, further reducing the production cost. In the meantime, the company's nationwide layout of production capacity brings down sales costs such as product transportation. In addition, in order to ensure the supply stability of some key raw materials and optimize the procurement cost of raw materials, the Company's industrial chain has extended to upstream raw materials including non-woven fabrics, functional film, VAE emulsion and VAEP rubber powder. This is aimed at enhancing the company's ability to resist risks in the purchasing, building and deepening the industry moat and adding its cost advantage.

5. Multi-level marketing network advantage. The company has established a multi-level marketing channel network combining the direct sales model and the channel model according to the existing market features and the future market expansion direction, which lays a good foundation for the company's sustainable stable development. The direct sales model is that the company directly develops and serves the final customers and sells products to them through its subsidiaries and business departments. The Company signs strategic cooperation agreements or long-term supply agreements with a number of high-quality enterprise groups. In industrial construction, energy construction, railway, highway, rail transit, tunnel and underground engineering, livelihood engineering and other professional markets, the Company directly contacts with customers to enhance mutual trust, and establishes long-term and stable partnership in material supply and systematic services. The direct marketing mode provides an important guarantee for enhancing the Company's industry visibility. The channel marketing mode means that the Company provides product development and sales and other services for the end-use customers through distributors and other channel partners. The channel marketing mode consists of engineering channel and retail

channel. The company has signed contracts with a number of distributors and established a reasonable, risk-controllable, cost-effective and dynamic distributor network system. Through continuous strengthening of the system training and service of distributors, the distributor network has gradually developed into an important sales channel for the Company to expand the national market. During the Reporting Period, the Company insisted on the priority of partners, continued to empower partners to develop. The Company fully implemented integrated operation with provincial integrated companies in North China, East China and South China as the carrier. Integrated companies in each region focused on the local market, integrated and optimized direct marketing and engineering channel marketing network, and increased the regional market coverage and permeability through territorial operations and sinking channels, thereby filling the market gap and increasing the market share. The Company uses the synergy between the customers accumulated by the waterproof business over the years and sales channels to develop businesses of architectural coatings, mortar powder, thermal insulation and energy saving, etc. It provides customers with perfect system solutions to building materials; The civil building material market has formed a marketing network with retail channel mode as the core. The retail channels are managed by the Company's subsidiary Civil Construction Group, the architectural coatings retail business segment and the Yuhong Home Service Segment are managed by the Construction Repair Group. The Company serves the home market and renovation market for the general consumers through the establishment of family decorating companies, building material supermarkets, building material markets, operation center, community service stations and compound marketing network integrating online e-commerce and offline distributors.

6. Product category advantage. The Company's main products include building waterproof materials, building decorative coatings, building powders, building energy-saving materials, adhesive, pipes, non-woven fabrics, special films, emulsion etc. The product system is becoming increasingly comprehensive. The building waterproof materials have more than 200 subdivided varieties and more than 2,000 specifications and models. The company is also continuously strengthening scientific innovations, improving product quality and increasing product varieties. Most important categories of domestic new building waterproof materials are produced by the company. Thus, it is one of the enterprises with the most complete varieties of new building waterproof materials in the domestic building waterproof material industry. During the Reporting Period, the company's Zhen series products were launched, including 14 products such as waterproofing, reinforcing agents, tile adhesives, and back adhesives. These products have obtained the German EC1plus environmental certification and the French A+ certification. The Blue Golden

Series products were relaunched and innovatively adopted odor-free formulas, with a comprehensive upgrade of the original waterproof series products. The new "Ji" series of auxiliary material products have been launched, including mildew-proof white wall putty, mildew-proof high-strength stucco gypsum, no-added high-permeability reinforcing agents, etc. Deaiwei light breathing series products and colorful beauty villa series products are newly upgraded and launched. The Company also launched different product categories such as Yinhebao exposable (Danxia red) roof waterproof coating, Huasha WM200 high-strength waterproof mortar, and grouting fluid series products. In addition, the Company's photovoltaic encapsulation film has achieved mass production and has obtained certifications issued by the German TÜV agency and the American UL certification agency. The BOPP/BOPE film production line has also been put into mass production, marking the company's further extension in the field of special films. The first phase of the Hongshi New Materials project was successfully put into production, injecting a boost into the company's deep development of the upstream raw materials VAE emulsion and VAEP rubber powder industry chain. The company's products have wide applications in the field of building materials and can meet the needs of construction services in different regions, forms and parts, which has laid a solid foundation for the company to undertake various building material business. Based on product category advantage, the company upgrades construction service system, provides integrated services of building material system which cover the entire life cycle of the project from rules, design, material selection, material supply, construction to operation and maintenance, meeting the diverse needs of customers.

7. Application technology and system service advantages. The company's applied technology research center is the first applied technology research institution in the industry. Relying on the company's strong scientific research talents and resources and to meet the needs of the construction market, the center focuses on the research of applied technology, explores the innovation in the field of engineering applied technology, develops and launches "EDEE Top industrial prefabricated roofing system", "Yuhong Taohuayuan Drainage and Water Storage System", "SAFABLE underground engineering waterproof protection system", "Yuhong Concrete PCG modified resin corrosion-resistant waterproof layer system", "White Bear Coated Roll Composite Waterproof System", "Wall Protection (BH) Waterproof System", "COMESIM Indoor Waterproof and Moisture-Proof System", etc. During the report period, the Company also launched sports floor system solutions, "Yuhong 1+X" new pre-paved waterproofing system, high-efficiency rainbow photovoltaic tile BIPV roofing system, concrete roof maintenance system, metal roof maintenance system, and tile roof liquid Roof maintenance systems, etc., to empower the company's products

and services with more complete system solutions. Moreover, the Company is the first in the industry to create a "standardized construction management system" that integrates construction standardization, equipment modernization, training specialization, and construction safety, covering all aspects such as processes, construction methods, atlases, tools, and construction management. Processes such as pre-job training, construction arrangements and deployment, model demonstrations, standardized construction equipment, on-site management, safety priority, and real-time project tracking formed a standardized full-chain service, allowing the Company to always maintain a dominant position in the field of construction services. At the same time, the Company takes intelligent construction and innovation technology as the key expansion direction, and has successively launched more than 30 smart equipment in five series, including the smooth road series, the cyclist series, the Hongxiang high-pressure airless series, the Hongxiang S series, and the non-curing series, systematically meeting the growing demand for system construction equipment and parts. The implementation of mechanized construction can greatly improve construction efficiency and reduce construction costs while ensuring construction quality. The company also joins the mode of school-enterprise cooperation and industry and education integration, and explores an effective model for cultivating professional technical talents in building waterproofing. Through the establishment of training schools, organizing vocational skill level certification and holding technical exchange seminar, the company cultivates construction professionals and continuously improve the operational capabilities and services of production and construction team.

IV. Analysis of Principal Business

1. Overview

Business analysis of the Company for 2023 is as follows:

(1) Operating income: During the Reporting Period, the Company realized operating income of RMB 32,822,528,108.42, up by 2.26% year-on-year. The main reason is that during the reporting period, the company's diversified businesses expanded smoothly, and have expanded its leading advantages, and the proportion of retail business gradually increased.

(2) Operating cost: During the Reporting Period, the Company recorded operating cost of RMB 23,734,860,930.14, up 2.43% year-on-year, gross profit 27.69% , up 1.92% year-on-year. The gross profit margin increased mainly due to the increase in business scale and decrease in raw material prices during the reporting period.

(3) Expenses: During the Reporting Period, the Company recorded selling expenses of RMB 2,978,178,436.64, up 12.06% year-on-year, mainly due to the increase in advertisements, promotion fees and travelling expenses ; The Company's administrative expenses amounted to RMB



1,539,428,589.42, down 14.23% year-on-year mainly due to the decrease in Equity incentive expenses; The R&D expenses reached RMB 605,651,087.44, up 8.87% year-on-year without significant change; Financial expenses amounted to RMB 128,562,022.57, down 47.58% year-on-year mainly due to the decrease of interest expense and exchange gains and losses.

(4) Cash flow: During the Reporting Period, Net cash flows from operating activities reached RMB2,103,197,639.61, up 221.58% year-on-year, mainly due to the increased of cash from the sales of commodities and the rendering of services, and the decrease in cash paid for goods purchased and services received. The net cash flow generated from investing activities was -1,817,870,852.71 yuan, an increase of 61.56% compared with the same period last year, mainly due to the decrease in cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets in the current period. Net cash flows from financing activities amounted to RMB-1,554,811,858.47, down 51.06% year-on-year, mainly resulting from the decrease in borrowings obtained by the company in the current period.

2. Revenue and Cost

(1) Operating Revenue

Unit: RMB

	2023		2022		YoY Change
	Amount	Proportion in Operating Revenue	Amount	Proportion in Operating Revenue	
Total Operating Revenue	32,822,528,108.42	100%	31,213,835,246.24	100%	5.15%
By Industry					
Waterproof materials	22,999,086,588.65	70.07%	20,983,865,889.48	67.23%	9.60%
Mortar powder materia	4,196,440,770.01	12.79%	2,997,544,097.21	9.60%	40.00%
Engineering Construction	3,244,841,392.18	9.88%	4,402,742,952.41	14.11%	-26.30%
Other main business revenue	1,724,866,096.45	5.26%	1,970,762,210.92	6.31%	-12.48%
Other revenue	657,293,261.13	2.00%	858,920,096.22	2.75%	-23.47%



By Product					
Waterproof Membranes	13,313,739,985.28	40.56%	12,476,873,122.13	39.97%	6.71%
Coating	9,685,346,603.37	29.51%	8,506,992,767.35	27.25%	13.85%
Mortar powder materia	4,196,440,770.01	12.79%	2,997,544,097.21	9.61%	40.00%
Engineering Construction	3,244,841,392.18	9.88%	4,402,742,952.41	14.11%	-26.30%
Other main business revenue	1,724,866,096.45	5.26%	1,970,762,210.92	6.31%	-12.48%
Other revenue	657,293,261.13	2.00%	858,920,096.22	2.75%	-23.47%
By Region					
Chinese Mainland	32,112,280,934.66	97.84%	30,747,830,216.05	98.51%	4.44%
Hong Kong and Macao	7,466,050.67	0.02%	9,784,828.86	0.03%	-23.70%
Other countries or regions	702,781,123.09	2.14%	456,220,201.33	1.46%	54.04%
By Distribution Pattern					
Retail channel	9,287,036,737.52	28.29%	7,249,547,796.65	23.23%	28.11%
Engineering channel	12,510,065,872.16	38.12%	10,205,250,439.09	32.69%	22.58%
Direct selling business	10,368,132,237.61	31.59%	12,900,116,914.28	41.33%	-19.63%
Other revenue	657,293,261.13	2.00%	858,920,096.22	2.75%	-23.47%

(2) Industries, products, regions and distribution patterns that contribute over 10% to the operating revenue or profit of the Company

√ Applicable □ Not applicable



Unit: RMB

	Operating Revenue	Operating Cost	Gross Profit Margin	YoY Change in Operating Revenue	YoY Change in Operating Cost	YoY Change in Gross Profit Margin
By Industry						
Sales of waterproof materials	22,999,086,588.65	15,816,380,576.34	31.23%	9.60%	5.02%	3.00%
Mortar powder materia	4,196,440,770.01	3,039,756,379.29	27.56%	40.00%	31.52%	4.67%
By product						
Waterproof membranes	13,313,739,985.28	9,717,540,434.32	27.01%	6.71%	4.24%	1.73%
Coating	9,685,346,603.37	6,098,840,142.03	37.03%	13.85%	6.29%	4.48%
Mortar powder materia	4,196,440,770.01	3,039,756,379.29	27.56%	40.00%	31.52%	4.67%
By region						
Chinese Mainland	32,112,280,934.66	23,213,042,331.58	27.71%	4.44%	1.72%	1.93%
By Distribution Pattern						
Retail channel	9,287,036,737.52	5,363,151,793.31	39.42%	28.11%	18.43%	4.63%
Engineering channel	12,510,065,872.16	9,255,620,498.86	23.70%	22.58%	17.86%	3.24%
Direct selling business	10,368,132,237.61	8,498,343,089.37	13.64%	-19.63%	-15.33%	-4.44%

If the statistical caliber of the company's main business data is adjusted during the reporting period, the company's main business data in the most recent year will be adjusted based on the caliber at the end of the reporting period.

Applicable Not Applicable

(3) Whether the selling revenue of the Company is higher than labor income

Yes No

Industry	Item	Unit	2023	2022	YoY Change
Non-metallic mineral products	Sales	square meter	2,483,813,200.62	1,942,176,132.34	27.89%
	Output	square meter	2,508,239,835.24	1,968,203,662.77	27.44%
	Inventories	square meter	68,810,399.15	44,383,764.53	55.04%

Explanation for a YoY change of over 30%

Applicable Not Applicable

(4) The fulfillment of signed major sales contract and major purchasing contract as of the closing date of the Reporting Period

Applicable Not applicable

(5) Revenue Cost

Industry and Product

Unit: RMB

Industry	Item	2023		2022		YoY Change
		Amount	Proportion in Operating Cost	Amount	Proportion in Operating Cost	
Sales of waterproof materials	Direct materials	14,240,077,821.32	90.03%	13,559,247,693.08	90.03%	5.02%
Sales of waterproof materials	Direct labor	208,985,524.08	1.32%	195,602,029.55	1.30%	6.84%
Sales of waterproof materials	Fuel	169,265,745.99	1.07%	152,248,017.53	1.01%	11.18%



Sales of waterproof materials	manufacturing cost	425,640,679.89	2.69%	393,342,362.82	2.61%	8.21%
Sales of waterproof materials	transportation cost	772,410,805.07	4.88%	760,151,453.67	5.05%	1.61%
Mortar powder materia	Direct materials	2,558,718,667.52	84.18%	1,944,755,211.56	84.14%	31.57%
Mortar powder materia	Direct labor	122,168,196.09	4.02%	92,684,435.45	4.01%	31.81%
Mortar powder materia	Fuel	40,070,146.03	1.32%	29,816,189.96	1.29%	34.39%
Mortar powder materia	manufacturing cost	145,083,607.99	4.77%	110,250,562.86	4.77%	31.59%
Mortar powder materia	transportation cost	173,715,761.66	5.71%	133,826,154.92	5.79%	29.81%
Waterproof engineering	Material cost	742,499,691.00	26.76%	898,820,737.47	26.69%	-17.39%
Waterproof engineering	Labor cost	1,656,713,729.95	59.71%	2,000,665,308.81	59.42%	-17.19%
Waterproof engineering	Mechanical cost	236,886,223.04	8.54%	286,758,704.78	8.52%	-17.39%
Waterproof engineering	Indirect cost	112,816,034.38	4.07%	136,567,587.10	4.06%	-17.39%
Waterproof engineering	Transportation cost	25,899,708.67	0.93%	44,313,802.94	1.32%	-41.55%
Other revenue	Material cost	1,220,040,268.36	82.09%	1,369,182,340.32	81.52%	-10.89%



Other revenue	Labor cost	121,230,858.9 4	8.16%	133,669,877.3 5	7.96%	-9.31%
Other revenue	Indirect cost	109,312,820.9 3	7.36%	121,326,121.9 7	7.22%	-9.90%
Other revenue	Transportation cost	35,579,090.62	2.39%	55,469,016.78	3.30%	-35.86%
Total operating cost		23,117,115.38 1.54		22,418,697.60 8.92		3.12%

Unit: RMB

Product	Item	2023		2022		YoY Change
		Amount	Proportion in Operating Cost	Amount	Proportion in Operating Cost	
Sales of Membranes	Direct materials	8,637,451,477.26	88.89%	8,287,222,734.45	88.89%	4.23%
Sales of Membranes	Direct labor	165,565,312.26	1.70%	155,912,972.69	1.67%	6.19%
Sales of Membranes	Fuel	146,881,266.62	1.51%	130,857,265.86	1.40%	12.25%
Sales of Membranes	Manufacturing cost	307,272,230.47	3.16%	283,434,282.38	3.04%	8.41%
Sales of Membranes	Transportation cost	460,370,147.70	4.74%	465,112,151.56	4.99%	-1.02%
Sales of Coating	Direct materials	5,602,626,344.06	91.86%	5,272,024,958.63	91.88%	6.27%
Sales of Coating	Direct Labor	43,420,211.82	0.71%	39,689,056.86	0.69%	9.40%
Sales of	Fuel	22,384,479.37	0.37%	21,390,751.67	0.37%	4.65%



Coating						
Sales of Coating	Manufacturing cost	118,368,449.42	1.94%	109,908,080.44	1.92%	7.70%
Sales of Coating	Transportation cost	312,040,657.37	5.12%	295,039,302.11	5.14%	5.76%
Sales of mortar powder materia	Material cost	2,558,718,667.52	84.18%	1,944,755,211.56	84.14%	31.57%
Sales of mortar powder materia	Labor cost	122,168,196.09	4.02%	92,684,435.45	4.01%	31.81%
Sales of mortar powder material	Fuel cost	40,070,146.03	1.32%	29,816,189.96	1.29%	34.39%
Sales of mortar powder material	Indirect Cost	145,083,607.99	4.77%	110,250,562.86	4.77%	31.59%
Sales of mortar powder material	Transportation cost	173,715,761.66	5.71%	133,826,154.92	5.79%	29.81%
Waterproof Engineering	Material cost	742,499,691.00	26.76%	898,820,737.47	26.69%	-17.39%
Waterproof Engineering	Labor cost	1,656,713,729.95	59.71%	2,000,665,308.81	59.42%	-17.19%
Waterproof Engineering	Mechanical cost	236,886,223.04	8.54%	286,758,704.78	8.52%	-17.39%
Waterproof Engineering	Indirect Cost	112,816,034.38	4.07%	136,567,587.10	4.06%	-17.39%
Waterproof Engineering	Transportation cost	25,899,708.67	0.93%	44,313,802.94	1.32%	-41.55%



Other revenue	Material cost	1,220,040,268. 36	82.09%	1,369,182,340. 32	81.52%	-10.89%
Other revenue	Labor cost	121,230,858.9 4	8.16%	133,669,877.3 5	7.96%	-9.31%
Other revenue	Indirect Cost	109,312,820.9 3	7.36%	121,326,121.9 7	7.22%	-9.90%
Other revenue	Transportation cost	35,579,090.62	2.39%	55,469,016.78	3.30%	-35.86%

Explanation

No

(6) YoY Changes to the Scope of Consolidated Financial Statements

Yes No

New subsidiaries established this year: Qingyuan Boyu Real Estate Investment Co., Ltd., Changdao Oriental Yuhong Waterproof Technology Co., Ltd., Wuhan Oriental Yuhong Jinghong Technology Engineering Co., Ltd., Oriental Yuhong Investment (SINGAPORE) (Pte.) Ltd., Inner Mongolia Oriental Yuhong New Materials Co., Ltd., Oriental Yuhong Home Technology Co., Ltd. and Zhejiang Oriental Yuhong Waterproof Technology Co., Ltd.

Subsidiaries canceled or disposed of this year: Zhejiang Oriental Yuhong Technology Development Co., Ltd. and Shanghai Welltech New Materials Co., Ltd.

(7) Significant Change or Adjustment to Principal Activities, Products or Services in the Reporting Period

Applicable Not applicable

(8) Major Customers and Suppliers

Major Customers

Top five customers' sales (RMB)	1,601,194,766.86
Proportion of top five customers' sales in total annual sales	4.88%
Proportion of sales to related parties among top five customers' sales in total annual sales	0.00%

Information of Top 5 Customers



Serial Number	Customer Name	Sales (RMB)	Proportion in Total Annual Sales
1	Customer 1	485,966,459.82	1.48%
2	Customer 2	326,454,210.12	0.99%
3	Customer 3	316,840,987.32	0.97%
4	Customer 4	243,210,176.80	0.74%
5	Customer 5	228,722,932.79	0.70%
Total	--	1,601,194,766.85	4.88%

Other information of major customers

Applicable Not applicable

Information of Major Suppliers

Purchase amount from top 5 suppliers	4,828,463,223.52
Proportion of purchase from top 5 suppliers in total annual purchase	22.97%
Proportion of purchase from related parties among top five suppliers in total annual purchase	0.00%

Information of Top 5 Suppliers

Serial Number	Supplier Name	Purchase Amount (RMB)	Proportion in Total Annual Purchase
1	Supplier 1	1,535,144,829.64	7.30%
2	Supplier 2	882,263,856.49	4.20%
3	Supplier 3	836,093,633.73	3.98%
4	Supplier 4	816,719,175.55	3.88%
5	Supplier 5	758,241,728.10	3.61%



Total	--	4,828,463,223.51	22.97%
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Other information of major suppliers

Applicable Not applicable

3. Expenditures

Unit: RMB

	2023	2022	YoY Change	Significant Change
Selling expenses	2,978,178,436.64	2,657,678,372.46	12.06%	Mainly due to the increase in advertising, promotion expenses and travel expenses, etc.
Administrative expenses	1,539,428,589.42	1,794,863,621.04	-14.23%	Mainly due to the decrease in equity incentive expenses
Financial expenses	128,562,022.57	245,230,820.30	-47.58%	Mainly due to the decrease in interest expenses and exchange gains and losses
Research and development expenses	605,651,087.44	556,315,937.11	8.87%	No significant changes

4. Research and Development Investment

Applicable Not applicable

Name of Major R&D Project	Project Purpose	Project Progress	Targeted Achievement	Expected Influence on the Company's Development
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<p>Key technologies and industrialization of see-through polymer self-adhesive film pre-paved waterproofing membrane</p>	<p>Invented to solve the problem of difficult positioning and no rapid welding of the membranes and gaskets when traditional pre-paved polymer membranes are used in construction of mining tunnels. This project developed a lightweight, see-through polymer self-adhesive membrane pre-paved waterproofing roll material.</p>	<p>The project has been completed and recognized as an international leading level technology.</p>	<ol style="list-style-type: none"> 1. To develop a transparent hot-melt adhesive layer, a transparent anti-stick protective coating and a transparent polyethylene sheet through material structure design and formula research. 2. To build an industrialized production line integrating sheet extrusion, gluing, and anti-stick protective coating spray and drying processes to achieve mass production of products with three widths of 3m, 2.4m, and 1.2m. 3. To develop the first see-through pre-paved anti-adhesive waterproofing system for composite lining tunnels, which is welded and fixed by electromagnetic induction heating gaskets, for application scenarios of mining method tunnel waterproofing projects in dim light, dusty and humid environments. 	<p>Engineering applications have shown that this product can be used to quickly identify the position of the welding gasket and improve the efficiency of waterproofing construction. The transparent anti-adhesive protective coating ensures the performance of the pre-paved waterproofing membrane in the humid and dusty environment of the tunnel. The promotion and application of this technology have further improved the quality of waterproofing membranes and waterproofing projects in our country, and is in line with national high-quality development requirements.</p>
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<p>Development and application of high heat reflective polymer modified asphalt waterproofing membranes and systems</p>	<p>Through the research on many key technologies for "the development and application of high heat-reflective polymer modified asphalt waterproofing membranes and systems", this project has developed products and supporting waterproofing systems that meet market demand, comply with standards and specifications, and are technologically advanced. The other two products under this project are the high heat reflective PE film polymer modified asphalt waterproofing membrane with anti-radiation technology and the high heat reflective mineral layer polymer modified asphalt waterproofing membrane with high heat reflectivity mineral granule covering material, which have excellent</p>	<p>The project has been completed and recognized as an international leading level technology.</p>	<p>To develop a high heat reflective building roof waterproofing system and its construction method, forming a high heat reflective PE film polymer modified asphalt waterproofing membrane with the technical characteristics of a composite high heat reflective barrier and a high heat reflective function with a reflectivity of >70% high heat reflective mineral layer polymer modified asphalt waterproofing membrane covered with mineral granules, and to build 2 production lines of modified asphalt waterproofing membrane for high heat reflective roofing systems, reaching an annual production capacity of 20 million square meters. To develop technical specifications for its construction and application. To break</p>	<p>With the implementation of the "double carbon" policy, countries around the world are actively formulating mid- and long-term development goals and policies towards lower carbon buildings. Roofing system engineering is also bound to develop in the direction of lower carbon, safer and more durable, and easier to construct and maintain. This project establishes the overall goal of the research and development of high heat reflective PE film polymer modified asphalt waterproofing membranes and high heat reflective mineral granular polymer modified asphalt waterproofing membranes. This project is in line with China's energy conservation, environmental protection and "double carbon" policies, which is</p>
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	<p>physical properties and high mechanical and construction application performance. The technology breakthrough has made industrialization a reality.</p>		<p>through the existing modification technology barriers and complete more than three demonstration project applications.</p>	<p>conducive to accelerating the green and low-carbon transformation of the waterproof industry, improving the green product system, improving the international competitiveness of enterprises and industries, and plays a positive role in realizing the "14th Five-Year Plan" strategy Goals.</p>
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<p>Key technologies and applications of high-adhesion water-based polymer asphalt waterproof coatings and their composite waterproofing systems</p>	<p>This project develops high-adhesion waterproof coatings and their composite waterproofing systems through the development and industrialization of key technologies for emulsified modified asphalt and emulsions, including material structure and composition design, industrial production processes and key technologies for engineering construction applications. It has high viscosity, is easy to spray, highly adhesive and difficult to peel off. It solves the problem that water-based coatings are easy to stick to the feet on flat surfaces and easy to sag on vertical surfaces. It breaks through the technical barriers of anti-slip when combined with coiled materials. The project designed and built a fully enclosed, pressure-adjustable water-</p>	<p>The project has been completed and recognized as an international leading level technology.</p>	<p>The performance of the high-adhesion water-based polymer asphalt waterproof coating developed by this project meets the ASTM D1227/D1227M-13 (2019) standard and JC/T 408-2005 "Water-emulsible asphalt-based waterproof coating" standard requirements, and has the following characteristics:</p> <ol style="list-style-type: none"> 1. The waterproof coating prepared through formula design has excellent bonding properties with the base layer and the membrane, and the water resistance is greatly improved. The coating and membrane composite system has excellent water resistance and anti-slip properties, and is not easy to stick to feet when applied on a flat surface. 2. A nano-organic/inorganic composite rheology 	<p>The company actively fulfills its social responsibility to promote the country's "double carbon" work. The results of this project are in line with national industrial development policies of energy conservation, emission reduction, and environmental protection. The products have good bonding properties with the concrete base and membranes, as well as good water resistance and construction performance. The product, when used with membranes in underground side walls and roofs, can greatly reduce the risk of waterproof layer slippage and water channeling. In addition, the product can be sprayed on for easy application, effectively improving construction efficiency, and it has extremely low VOCs ($\leq 5\text{g/L}$), which is</p>
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	<p>based asphalt coating production line, which improved the quality of coating production and construction. This forms a set of high-bond composite waterproofing production and construction processes and a complete set of product standards and engineering technical specifications to achieve large-scale product promotion, engineering application and industrialization to meet market demand.</p>		<p>adjustment system is designed. The product has high storage viscosity and is easy to spray. The wet film can reach 0.8mm without sagging in one application, which solves the problem of sagging of water-based asphalt waterproof coatings.</p> <p>3. A fully enclosed, pressure-adjustable water-based asphalt coating production line was built, which improved the film-forming quality of coating construction.</p> <p>4. The project designed a "coating + asphalt membrane" water-based cold construction composite waterproofing system and technology that can be used on roofs and underground side walls of buildings. It overcomes the problems that normal water-based asphalt coatings cannot be used for basement side wall waterproofing and is</p>	<p>conducive to protecting the health of on-site operators and the environment of the construction site.</p> <p>As the country further promotes green building materials, the product market has broad prospects.</p>
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			<p>easy to stick to feet. The technology expands the product's application areas.</p>	
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<p>Building exterior wall waterproof and vapor permeable coatings and systems</p>	<p>Thirty years ago, professionals in foreign countries have proposed that water (liquid/gaseous water) is a key factor in making buildings more energy-saving, durable and healthy. Therefore, building exterior walls need to meet waterproofing and vapor permeability requirements. Subsequently, GB 50574-2010 "Unified Technical Specifications for the Application of Wall Materials" and "Exterior Wall Exterior Insulation Technology and Standards" (2022) both proposed that exterior walls need to be waterproof and breathable, a requirement which current materials and systems cannot meet. The GB55030-2022 "General Specification for Waterproofing of Buildings and Municipal Engineering", which</p>	<p>The project has been completed and entered the market, and won the first prize in the Technological Innovation Category of the 2023 Beijing Building Materials Industry Science and Technology Award.</p>	<p>This project breaks through the technical barriers of traditional coatings by designing and synthesizing special emulsions, and develops a series of waterproof and breathable coatings and corresponding systems for different building exterior wall structures and different climate zones. The waterproof and vapor-permeable coatings meet the requirements of GB55030-2022 "General Specification for Waterproofing in Buildings and Municipal Engineering" and comply with green product standards. Through the research on engineering application of waterproof and vapor-permeable coatings and systems, a variety of exterior wall waterproof and vapor-permeable systems and construction technical</p>	<p>The waterproof and breathable coating and supporting system developed by this project have filled a gap in the domestic market, which fully meet the requirements of GB55030-2022 "General Specification for Waterproofing of Buildings and Municipal Engineering", and closely follow the "double carbon" policy and ever increasing energy-saving standards. The developers scientifically understand the real needs of building exterior walls, providing effective solutions for the energy-saving effect and long-term durability of exterior wall insulation. The project also provides timely data for the revision after the GB55030-2022 "General Specification for Waterproofing of</p>
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	<p>was officially implemented on April 1, 2023, stipulates that the design of exterior walls must add a waterproof layer, so the R&D of waterproof and breathable building exterior wall materials and systems is imperative.</p>		<p>regulations has been formed and used in engineering application demonstration.</p>	<p>Buildings and Municipal Engineering" was implemented. It eliminates low-end counterfeit for the customers, and is truly leading the industry progress, bringing positive social influence.</p>
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<p>Key technologies and industrialization for the preparation of body-type epoxy resin ceramic tile grouting agent</p>	<p>This project aims to tackle the technical problem of high dosage of VOC in epoxy materials used for ceramic tile caulking. By designing modified epoxy resin, curing agent and finished product formula for various types of ceramic tile caulking, the project can balance the conflicts between environmental protection, construction and storage stability. Another aim is to develop body-type epoxy resin-based ceramic tile seaming materials that meet the VOC limit required by the GB 18583-2008 "Limits of Hazardous Substances in Adhesives for Interior Decoration Materials", GB 33372-2020 "Limits of Volatile Organic Compounds in Adhesives", and GB/T 36797-2018 "Epoxy resin seaming</p>	<p>The project has been completed and recognized as an international leading level technology.</p>	<p>To elucidate the VOC release mechanism of epoxy resin materials used for ceramic tile seaming, establishing a theoretical basis for migration and release of different types of VOC substances, thus designing and developing a series of low-viscosity epoxy resins, reactive diluent/inactive diluent composite systems, and highly active curing agent. To design and develop a series of body-type epoxy resin ceramic tile caulking materials whose physical and mechanical properties meet the standard requirements of Q/SY YHF0099-2021 "Tile Seaming Materials", and its VOC limit meets the requirements for environmental protection. At the same time, the environmental protection, yellowing resistance, adhesion, mildew and antibacterial</p>	<p>The body-type epoxy resin tile seaming agent is mainly used in various indoor walls and floors in civil buildings, public places such as shopping malls, airports, swimming pools and other environments that require seaming agent with high performance in mildew prevention, environmental protection, and waterproofing. The development of this project complies with the national green building materials development requirements and has broad market prospects.</p>
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	<p>glue for decoration to prevent cracking".</p> <p>Based on the above, we aim to formulate corporate standard and construction technical regulations for "Tile Seaming Materials" and ultimately realize the industrialization of the serial body-type epoxy resin ceramic tile beauty seam materials and optimize its application, so as to provide a more environmentally friendly and applicable systematic tile seaming solution for indoor and outdoor decoration.</p>		<p>properties of the material must be significantly improved.</p> <p>To build modified epoxy resin and modified curing agent production lines, and fully automatic production lines for serial body-type epoxy resin ceramic tile caulking material to realize technological industrialization. To form and apply technical regulations for the construction of different seaming systems for kitchen & bathroom, balcony & terrace, and for floor heating.</p>	
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<p>Key technologies and applications for the preparation of dust-free flexible cement-based adhesive for ceramic large slabs</p>	<p>This project aims to develop a high-performance, efficient dust-suppressing flexible cement-based adhesive for ceramic large slab through research on the structure and composition design of key raw materials and research on dust-free technology. The aim is to build a dust-free ceramic large slab adhesive production line with an annual output of 200,000 tons, forming efficient homogenization technology and equipment technology. Another aim is to develop indoor dry room and wet room tile paving systems, construction processes and construction machineries to realize industrialization so as to meet market demand.</p>	<p>The project has been completed and recognized as an international leading level technology.</p>	<p>This project will break through in key technologies such as "organic-inorganic material composite synergistic toughening", "high-efficiency dust suppression formula design" and "high-efficiency dust-free homogenization" to achieve the following goals:</p> <ol style="list-style-type: none"> 1. To develop a dust-free flexible cement-based adhesive for ceramic large slabs and rock slabs that is high-performance, highly efficient and dust-suppressing, which conforms to energy conservation, emission reduction, and green and environmental policies. 2. To build a dust-free ceramic large slab adhesive production line with an annual output of 200,000 tons, and develop efficient homogenization technology and equipment technology. 	<p>The products developed in this project will improve the safety and durability of large-size ceramic tiles, large slabs, and rock slabs for indoor and outdoor wall and floor paving in China, promoting the development and progress of large-size ceramic tile adhesives and their paving technology, and broadening the application of large slab ceramic tiles and rock slabs in various types of architectural decoration, and leading the development of ceramic tile adhesive technology. Compared with ordinary tile adhesives during production and construction, experimental results show that the products of this project can inhibit more than 85% of dust emission, which is conducive to ensuring the health of</p>
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			<p>3. To form a variety of paving system structures, develop construction technical regulations and supporting tools, and carry out engineering applications.</p>	<p>on-site operators and the environmental protection of the construction site, and is in line with national energy conservation, emission reduction, and green environmental protection and other industrial development policies.</p>
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<p>Key application technologies for high-performance inorganic waterproof materials, adaptive adjustable materials</p>	<p>This topic is a national key research and development plan topic during the “14th Five-Year Plan”. In view of the major problems of frequent leakage and high humidity in the underground space of buildings, which are difficult to treat and seriously affect the indoor environment and human health, this project aims to develop highly impermeable waterproof self-repairing materials, highly crack-resistant back surface repair waterproofing materials and efficient self-humidifying mineral functional materials. Another aim is to build a multi-material, multi-layer self-healing, impermeable, waterproof, moisture-proof and humidity-regulating material system, and establish relevant evaluation methods, in order to conduct mass</p>	<p>This project was officially launched in December 2023, with a project implementation period of 4 years. It is currently in the early stages of project, and various research works are being carried out as planned.</p>	<p>This project studies microbial collaborative acceleration of mineralization deposition and mineral crystallization process control technology, waterproof mortar hydration product control, compaction and toughening technology, and sepiolite mineral fiber moisture absorption and release control technology. Such technologies are used to develop waterproof self-healing materials, highly impermeable and crack-proof and waterproof materials and high-efficiency self-humidifying functional materials for underground spaces, and to build a demonstration production line, in order to form waterproof, impermeable and humidity-adjusting multi-material multi-layer systematic</p>	<p>1. The Central Committee of the Communist Party of China and the State Council issued the "Healthy China 2030 Planning Outline", and "Healthy China" has been elevated to a national strategy. The development and application of the products and technologies of this project can effectively solve the problems of leakage and moisture in the underground space of buildings, creating a healthy living environment, improving residents' satisfaction and sense of gain, which help accelerate the realization of the goal of "Healthy China"</p> <p>2. By undertaking the "14th Five-Year Plan" national key research and development plan projects, the project aims at formulating a series of national, industry or local standards, which empower the company's products</p>
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	<p>production and set up application demonstrations. The project aims to create a healthy underground space and indoor environment.</p>		<p>solutions, the application of which will be and demonstrated in large real estate projects. The expected results can effectively solve the problems of leakage and moisture in the underground space of buildings, creating a long-term stable, healthy and comfortable indoor living environment.</p>	<p>and technologies and increase the influence of the company's products in the fields of healthy buildings and healthy building materials.</p> <p>3. The project focuses on the monitoring and prediction of the service performance evolution of building materials products, and the monitoring and prediction of indoor health environment, non-destructive testing methods of building materials products, as well as anti-mildew, anti-bacterial and anti-viral building materials products, waterproof and humidity-control multi-material multi-layer systems, and high-efficiency thermal insulation and sound insulation system products.</p> <p>After 4 years of research work with the project team, it is expected that the company can further open up the "industry-university-</p>
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				<p>research-application" chain in the fields of intelligent product performance evaluation and healthy building materials, accelerating the product evolution and the launching of new influential products.</p>
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<p>Complete set of polyurethane paving system technology and its application in the field of sports flooring</p>	<p>This project develops polyurethane paving materials, including water-based primer, Polyurethane primer, one-component adhesive, highly elastic foaming middle layer, reinforcement layer, interface agent, self-grained surface layer, spray particle surface layer, water-based topcoat and other materials. According to the needs of the site, the above materials can be combined into a complete shaped, hybrid and breathable polyurethane plastic track systems and silicon PU court systems.</p> <p>Through the research on process conditions and equipment, large-scale production can be achieved. The engineering application helps formulate construction technical regulations. This project can meet the needs of various application scenarios</p>	<p>The project has been completed and promoted in the market.</p>	<p>This project achieved breakthroughs on a series of technical barriers such as strict environmental protection requirements and uncontrollable polyurethane construction site foaming. It uses controllable micro-foaming technology to develop a series of paving materials that meet national standards and achieve large-scale production with an annual production capacity of more than 50,000 tons of product with stable quality. Through engineering application research, construction technical regulations are formed and engineering demonstration applications are carried out.</p>	<p>With the implementation of the national fitness plan and the sports power strategy, the sports industry has gradually become one of the new driving forces for the development of the national economy. With the help of the national key laboratory platform, perfect quality control system, advanced production process equipment, site design and construction advantages, this project develops a paving system that is used in the sports floor industry to meet need of students, athletes and amateur sporters for sports venue. It opens up new development areas for the company and helps the rapid development of national fitness.</p>
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	<p>such as schools, stadiums, rest sports venues and fitness trails.</p>			
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<p>Development and application of colorful villa stones</p>	<p>This project develops a low-consumption, high-simulation water-in-sand multi-colored coating based on the "Daiwei Colorful Technology Platform" through the research of lightweight technology. The color point of the product is clear, the color is adjustable, the imitation fire surface effect is realistic and the consumption is low. Through research on color mixing technology, standardized color mixing rules for products are formed; and through research on process conditions and equipment, mass production is achieved. Through research on key technologies for supporting applications, product standards and construction engineering technical specifications will be formed to achieve large-scale product promotion and</p>	<p>The project has been completed and promoted in the market.</p>	<p>This project tackles the industry problem of high water-in-sand consumption and develops low-consumption, high-simulation water-in-sand colorful coatings, reducing overall consumption by about 10% year-on-year. The project has formed a complete set of production and achieved mass production. A variety of standardized supporting construction techniques have been developed through engineering application research.</p>	<p>The country villa paint market is developing rapidly. Affected by multiple factors such as national rural revitalization policies, beautiful countryside initiatives, and demand for self-built houses in the rural areas, it is expected to reach a scale of hundreds of billions in the next 5-10 years. This project aims at the rural self-built houses and villa market, with a focus on high-performance products. It is expected to bring considerable economic benefits while increasing the company's brand influence and social recognition. In addition, it is also expected to facilitate the construction beautiful countryside by improving the rural living environment and people's life quality.</p>
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	<p>engineering application, thus achieving industrialization to meet market demand.</p>			
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<p>Research and application of ultra-low energy consumption building systems in extremely cold areas</p>	<p>This project is the improvement and attempt of Woniushan's HEEC near-zero energy consumption building system integrated EPC supply system in extremely cold areas. The design is based on building shape coefficient control, building light environment/wind environment simulation, overall building energy consumption calculation, building component optimization, fresh air scheme configuration and no thermal bridge design. Using efficient non-transparent envelope structure insulation system, high-performance doors and windows, efficient fresh air heat recovery system, good air tightness and no thermal bridge design, it establishes a long-term monitoring and testing system for the</p>	<p>The project has completed the demonstration project application and completed data monitoring in a winter operation.</p>	<p>With the application of ultra-low energy consumption system in extremely cold areas, this project greatly reduces heating energy consumption in winter. Simulation through IBE energy consumption calculation software shows that the project saves 60% of electricity. The indoor temperature, humidity and air quality is adjusted through the fresh air system. While ensuring air tightness, the constant supply of fresh air realizes the status of constant temperature, humidity, oxygen, quietness, and cleanliness. The exterior wall of this project uses a combination of graphite polystyrene board insulation plus new breathable paint, which marks the completion of the verification of</p>	<p>This project is an attempt of the Woniushan HEEC's near-zero energy consumption building system integrated EPC supply system in extremely cold areas. It is also a combination of breathable waterproofing products and thermal insulation systems, which opens up the company's thermal insulation, waterproofing and building energy-saving business in extremely cold areas. The building is heated by passive heating, which gets rid of dependence on traditional heating and air conditioning, etc., reducing energy consumption. It is an important means for the construction and building materials industry to achieve carbon neutrality and reach carbon peak.</p>
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	<p>reliability and durability of all materials for ultra-low energy consumption systems in cold areas.</p> <p>It uses the energy consumption monitoring platform to monitor various parameters such as insulation, doors and windows, and indoor environment under actual operating conditions. By analyzing and studying the monitoring data, the ultra-low energy consumption building technology system in extremely cold areas are improved and optimized.</p>		<p>thermal insulation and waterproof system in extremely cold areas.</p>	
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	2023	2022	Flux (%)
Number of R&D staff	527	505	4.36%
The number of R&D staff as a proportion of the total number of the Company's staff	4.14%	4.01%	0.13%
Education composition of R&D staff			
Bachelor's degree	336	315	6.67%
Master's degree	154	154	0.00%
Doctor's degree	37	36	2.78%
Age composition of R&D staff			
Under 30 years old	207	207	0.00%
30~40 years old	259	242	7.02%
Above 40 years old	61	56	8.93%

R&D personnel of the Company

The company's R&D investment

The reasons and impact of major changes in the Company's R&D personnel composition

applicable not applicable

Reasons for the significant change in the proportion of total R&D investment in operating income compared with the previous year

applicable not applicable

Reasons for significant changes in R&D investment capitalization rates and their rationale

applicable not applicable

5. Cash flow

	2023	2022	YoY Change



Amount of R&D investment (yuan)	605,651,087.44	556,315,937.11	8.87%
The proportion of R&D investment in operating income	1.85%	1.78%	0.07%
Amount of capitalized R&D investment (yuan)	0.00	0.00	0.00%
The proportion of Capitalized R&D investment in the total R&D investment	0.00%	0.00%	0.00%

Unit: RMB

Item	2023	2022	YoY Change
Sub-total of cash inflows from operating activities	34,465,042,866.49	34,865,456,463.45	-1.15%
Sub-total of cash outflows from operating activities	32,361,845,226.88	34,211,443,699.49	-5.41%
Net cash flows from operating activities	2,103,197,639.61	654,012,763.96	221.58%
Sub-total of cash inflows from investing activities	2,262,244,315.10	2,366,800,677.83	-4.42%
Sub-total of cash outflows from investing activities	4,080,115,167.81	7,095,446,591.35	-42.50%
Net cash flows from investing activities	-1,817,870,852.71	-4,728,645,913.52	61.56%
Sub-total of cash inflows from financing activities	7,434,090,942.77	9,770,536,681.64	-23.91%
Sub-total of cash outflows from financing activities	8,988,902,801.24	10,799,817,084.05	-16.77%



Net cash flows from financing activities	-1,554,811,858.47	-1,029,280,402.41	-51.06%
Net increase in cash and cash equivalents	-1,263,691,078.09	-5,117,810,225.40	75.31%

Explanations for Main Reasons of Significant YoY Change

Applicable Not applicable

1. Net cash flow generated from operating activities during the Reporting Period was RMB 2,103,197,639.61, up 221.58% year-on-year mainly due to the decrease in cash paid for sales of goods and rendering of services.
2. The net cash flow generated from investing activities was -1,817,870,852.71 yuan, an increase of 61.56% over the same period last year, mainly due to the decrease in cash for the purchase and construction of fixed assets, intangible assets and other long-term assets.
3. Net cash flow from financing activities was RMB1,554,811,858.47, down 51.06% year-on-year mainly due to the decrease in cash borrowing received by the company.
4. The net increase in cash and cash equivalents increased by 75.31% compared with the same period last year. The main reasons for the increase are: 1) The net cash flow generated from operating activities has increased. 2) The net cash flow generated from investing activities and financing activities has increased. 3) Although the net cash flow generated from financing activities decreased year-on-year, but the cash increase from operating and investing activities is greater than the decrease in financing activities. The above reasons resulted in a year-on-year net increase in cash and cash equivalents.

Explanation for the significant difference between net cash flows from operating activities and net profit

Applicable Not applicable

V. Analysis of Non-principal Business

Applicable Not applicable

VI. Analysis of Assets and Liabilities

1. Significant Change of Assets Structure

Unit: RMB

	December 31 2023		January 1 2023		Change of Proportion	Explanations for Significant Change
	Amount	Proportion in Total Assets	Amount	Proportion in Total Assets		
Cash and Bank Balances	9,119,500,669.37	17.82%	10,539,216,758.55	20.83%	-3.01%	No significant change
Accounts receivable	9,568,035,962.61	18.70%	10,878,566,767.30	21.50%	-2.80%	No significant change
Contract assets	2,330,825,043.75	4.55%	3,039,361,835.80	6.01%	-1.46%	No significant change
Inventories	2,510,642,499.99	4.91%	1,574,778,289.08	3.11%	1.80%	No significant change
Long-term Equity Investment	81,333,251.92	0.16%	199,982,208.47	0.40%	-0.24%	No significant change
Fixed Assets	10,452,504,002.75	20.43%	8,563,291,329.36	16.93%	3.50%	Resulting from the acquisition of new fixed assets in the current year
Construction in Progress	1,369,715,204.57	2.68%	2,049,330,481.21	4.05%	-1.37%	No significant change
Right-of-use assets	200,044,186.47	0.39%	169,202,828.43	0.33%	0.06%	No significant change
Short-term borrowings	4,998,624,477.72	9.77%	6,254,330,925.83	12.36%	-2.59%	No significant change
Contract liabilities	3,572,713,013.28	6.98%	3,323,551,390.16	6.57%	0.41%	No significant change
Long-term borrowings	1,708,670,178.55	3.34%	543,920,486.11	1.08%	2.26%	No significant change
Lease	177,044,897.51	0.35%	150,551,421.42	0.30%	0.05%	No significant change



liabilities						
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Foreign assets account for a material proportion

Applicable Not applicable

2. Assets and Liabilities Measured at Fair Value

Applicable Not applicable

Unit: RMB

Item	Opening Balance	Gains (Losses) From Changes in Fair Value in the Current Year	Accumulated Change of Fair Value Recorded into Equity	Accrued Impairment	Purchase Amount	Selling Amount	Other Changes	Closing Amount
Financial Assets								
1.Held-for-trading financial assets (excluding derivative financial assets)	607,088,73 1.43	- 914,595.62			29,726,051 .50			635,900,18 7.31
4.Other equity instrument investment	285,181,76 7.02		- 52,300,706 .74		23,000,000 .00			255,881,06 0.28
Subtotal of financial assets	892,270,49 8.45	- 914,595.62	- 52,300,706 .74	0.00	52,726,051 .50	0.00	0.00	891,781,24 7.59

Other non-current financial assets	62,588,195.83	- 10,015,857.64			210,000,000.00			262,572,338.19
Subtotal of above items	954,858,694.28	- 10,930,453.26	- 52,300,706.74		262,726,051.50			1,154,353,585.78
Financial liabilities	0.00							0.00

Other changes

No

Whether there is a significant change of the measurement nature of major assets during the Reporting Period

Yes No

3. Restricted Assets as of the Closing Date of the Period

Item	the Closing Date of the Period			
	Closing book value (RMB)	Face value	Type of Restriction	Reason of Restriction
Cash and Bank Balances	642,684,210.19	642,684,210.19	Security deposits and litigation frozen funds	Security deposits and litigation frozen funds
Bill receivable	180,936,699.37	174,676,289.57	Pledge guarantee	Loan pledge
Accounts receivable	382,241,319.61	369,015,769.95	Pledge guarantee	Loan pledge
Intangible assets	115,127,460.00	112,633,031.70	Ownership restriction	Bank loan pledge
Total	1,415,823,426.66	1,390,547,608.65		



VII. Analysis of Investment

1. Overall Analysis

Applicable Not applicable

Total Investment During the Reporting Period	Total Investment of Previous Year	Flux (%)
1,126,685,365.86	1,017,183,801.82	10.77%

The Company shall comply with the requirements of disclosure stated in *Guidelines No.13 of the Shenzhen Stock Exchange on Industry Information Disclosure: Listed Companies Engaging in the Relevant Non-metallic Building Material Business*.

2. Significant equity investment during the Reporting Period

Applicable Not applicable

Unit: RMB

Investee	Principal Business	Investment Mode	Amount of Investment	Percentage of shares holding	Source of funds	Partner	Investment Horizon	Product Type	Progress as of the balance sheet date	Expected Income	Gains and losses for the Reporting Period	Whether a litigation is involved	Disclosure Date (if any)	Disclosure Index (if any)



<p>Xinjiang Architectural Design and Research Institute Co., Ltd.</p>	<p>Construction industry, municipal industry and landscape engineering design, engineering consulting, foundation and foundation engineering professional contracting, etc.</p>	<p>Capital Increase</p>	<p>31,000,000.00</p>	<p>4.50%</p>	<p>Own Funds</p>	<p>Xinjiang Financial Investment Co., Ltd.</p>	<p>Long-term</p>	<p>Construction industry, municipal industry and landscape engineering design, engineering consulting, foundation and foundation engineering professional contracting, etc.</p>	<p>Completed</p>	<p>1,034,499.01</p>	<p>1,034,499.01</p>	<p>No</p>		
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Yichang Chen gfa Oriental Yuhong Building Materials Technology Co., Ltd.	R&D of new material technology, manufacturing and sales of construction waterproofing membrane and rubber products	Capital Increase	980,000.00	49.00%	Own Funds	Hubei Three Gorges Logistics Group Co., Ltd.	Long-term	R&D of new material technology, manufacturing and sales of construction waterproofing membrane and rubber products	Completed	531.34	531.34	No		
Meishan Oriental Yuhong Construction Engineering Co., Ltd.	Engineering construction; professional construction operations; construction subcontracting	Capital Increase	1,960,000.00	49.00%	Own Funds	Meishan Huantian Construction Engineering Group Co., Ltd.	Long-term	Engineering construction; professional construction operations; construction subcontracting	Completed	1,052,258.69	1,052,258.69	No		

Ya'an Xinyuhong Waterproof Technology Co., Ltd.	Manufacturing and sales of construction waterproofing membrane and coating products; subcontracting, etc.	Capital Increase	1,960,000.00	49.00%	Own Funds	Ya'an Xinyuhong Trading Co., Ltd.	Long-term	Manufacturing and sales of construction waterproofing membrane and coating products; subcontracting, etc.	Completed	725,324.23	725,324.23	No		
Ziyan Airport Yuhong Waterproof Engineering Co., Ltd.	Engineering construction; professional construction operation; construction subcontracting	Capital Increase	490,000.00	49.00%	Own Funds	Ziyan Airport Investment Group Co., Ltd.	Long-term	Engineering construction; professional construction operation; construction subcontracting	Completed	83,941.23	83,941.23	No		

Leizhou Development Oriental Yuhong Building Materials Technology Co., Ltd.	Manufacturing and sales of construction waterproofing membrane and coating, and industrial textile products; subcontracting	Capital Increase	480,000.00	24.00%	Own Funds	Leizhou Development Investment Holding Group Co., Ltd.	Long-term	Manufacturing and sales of construction waterproofing membrane and coating, and industrial textile products; subcontracting	Completed	2,213.75	2,213.75	No		
Jiacheng Yuhong Construction Materials (Guangdong) Co., Ltd.	Sales of thermal insulation, anti-corrosion, building decoration materials and coatings, sales and production of cement products	Capital Increase	980,000.00	49.00%	Own Funds	Guangdong Zhengchen Engineering Co., Ltd.	Long-term	Sales of thermal insulation, anti-corrosion, building decoration materials and coatings, sales and production of cement products	Completed	18,309.35	18,309.35	No		

Huizhou Industrial Investment Yuhong Construction Technology Co., Ltd.	Construction engineering design; power generation & transmission and supply (distribution); engineering construction; residential interior decoration, etc.	Capital Increase	1,470,000.00	49.00%	Own Funds	Huizhou Industrial Energy Investment Co., Ltd.	Long-term	Construction engineering design; power generation & transmission and supply (distribution); engineering construction; residential interior decoration, etc.	Completed	114,073.42	114,073.42	No		
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Shanghai Yue Da New Material Technology Co., Ltd.	Sales of thermal insulation materials, refrigeration and air-conditioning equipment, machinery and equipment, and construction & decoration materials, etc.	Capital Increase	2,333,500.00	25.00%	Own Funds	Cai Xinhua	Long-term	Sales of thermal insulation materials, refrigeration and air-conditioning equipment, machinery and equipment, and construction & decoration materials, etc.	Completed	290,192.40	290,192.40	No		
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Huizhou Gangwan Yuhong New Material Technology Co., Ltd.	Sales of thermal insulation, anti-corrosion, building decoration materials; sales of coatings (excluding hazardous chemicals); sales of waterproofing membrane products; sales of building materials and sound insulation materials, etc.	Capital Increase	680,000.00	34.00%	Own Funds	Huizhou Dayabay District Petrochemical Investment Group Co., Ltd.	Long-term	Sales of thermal insulation, anti-corrosion, building decoration materials; sales of coatings (excluding hazardous chemicals); sales of waterproofing membrane products; sales of building materials and sound insulation materials, etc.	Compl	-98,961.07	-98,961.07	No		
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Susong Oriental Yuhong Construction Materials Technology Co., Ltd.	Import and export of goods and technology; sales of waterproofing membrane products, anti-corrosion materials, and coatings (excluding hazardous chemicals), etc.	Capital Increase	350,000.00	35.00%	Own Funds	Long-term	Construction Susong County Longxing Construction Investment and Development Co., Ltd.	Import and export of goods and technology; sales of waterproofing membrane products, anti-corrosion materials, and coatings (excluding hazardous chemicals), etc.	Completed	44,396.76	44,396.76	No		
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<p>Hong shi (Jiangsu) New Material Technology Co., Ltd.</p>	<p>Manufacturing and sales of special chemical products (excluding hazardous chemical products); technical services, technology development, etc.</p>	<p>Net</p>	<p>127,000,000.00</p>	<p>100.00%</p>	<p>Own Funds</p>	<p>No</p>	<p>Long-term</p>	<p>Manufacturing and sales of special chemical products (excluding hazardous chemical products); technical services, technology development, etc.</p>	<p>Completed</p>	<p>-</p>	<p>-</p>	<p>No</p>		
										27,125,819.12	27,125,819.12			

Oriental Yuhong Sand Powder Technology Group Co., Ltd.	Sales of building and lightweight building materials; manufacturing of new building materials (excluding hazardous); wholesale of hardware products; manufacturing of non-metallic mineral products;	Newly established	214,358,239.72	100.00%	Own Funds	No	Long-term	Sales of building and lightweight building materials; manufacturing of new building materials (excluding hazardous); wholesale of hardware products; manufacturing of non-metallic mineral products;	Completed	- 53,573,416.57	- 53,573,416.57	No		
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Tian Ding Feng Holdings Limited	R&D, production, deep processing, sales and services of non-woven fabrics; R&D, production, sales and services of non-woven fabric related raw materials, geotextiles, drainage boards and geosynthetic materials;	Newly established	60,000,000.00	100.00%	Own Funds	No	Long-term	R&D, production, deep processing, sales and services of non-woven fabric related raw materials, geotextiles, drainage boards and geosynthetic materials;	Completed	31,186,472.40	31,186,472.40	No		
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HONGKONG ORIENTAL YUHONG INVESTMENT CONSULTING COMPANY LIMITED	Trade, waterproof materials, sales, investment, consulting, training	Newly established	145,652,400.00	100.00%	Own Funds	No	Long-term	Trade, waterproof materials, sales, investment, consulting, training	Completed	14,446,572.02	14,446,572.02	No		
Stars on (Beijing) Building Materials Testing Co., Ltd.	Inspection and testing services	Newly established	9,900,000.00	100.00%	Own Funds	No	Long-term	Inspection and testing services	Completed	-2,067,306.80	-2,067,306.80	No		

Shen zhen Oriental Yuhong Construction Robot Co., Ltd.	Manufacturing and sales of machinery for construction engineering; R&D of intelligent robots; sales of intelligent robots; retail of hardware products, etc.	Newly established	460,000.00	100.00%	Own Funds	No	Long-term	Manufacturing and sales of machinery for construction engineering; R&D of intelligent robots; sales of intelligent robots; retail of hardware products, etc.	Completed	-	-	1,848,281.03	1,848,281.03	No		
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Sichuan Oriental Yuhong Construction Materials Co., Ltd.	Manufacturing of waterproofing membrane products, coatings (excluding hazardous chemicals), lightweight building materials, thermal and sound insulation materials, rubber products, asbestos products, building blocks; and sealing fillers, etc.	acquisition	194,639,800.00	100.00%	Own Funds	No	Long-term	Manufacturing of waterproofing membrane products, coatings (excluding hazardous chemicals), lightweight building materials, thermal and sound insulation materials, rubber products, asbestos products, building blocks; and sealing fillers, etc.	Completed	4,395,770.87	4,395,770.87	No		
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Beijing Oriental Yuhong Anticorrosion Technology Co., Ltd.	Sales of anti-corrosion materials, building materials, building decoration materials, machinery and equipment; leasing of machinery and equipment; contracting projects, etc.	Newly added	8,473,246.30	67.90%	Own Funds	No	Long-term	Sales of anti-corrosion materials, building materials, building decoration materials, machinery and equipment; leasing of machinery and equipment; contracting projects, etc.	C	6,881,633.01	6,881,633.01	No		
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<p>Xion g'an Orien tal Yuhong Build ing Tech nolog y Co., Ltd.</p>	<p>Building materials research and development, promotion, sales, waterproofing of anticorrosion and insulation engineering services, architectural decoration engineering construction services</p>	<p>Ne w bl is he d</p>	<p>2,500,000.</p>	<p>100.00%</p>	<p>Own Funds</p>	<p>No</p>	<p>Long-term</p>	<p>Building materials research and development, promotion, sales, waterproofing of anticorrosion and insulation engineering services, architectural decoration engineering construction services</p>	<p>C o m p l e t e d</p>	<p>- 291,087.45</p>	<p>- 291,087.45</p>	<p>No</p>		
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<p>Oriental Yuhong Construction Materials Co., Ltd.</p>	<p>Manufacturing and sales of waterproofing membrane products, lightweight building materials, thermal insulation and sound insulation materials; manufacturing of coatings (excluding hazardous chemicals), etc.</p>	<p>Net</p>	<p>50,000,000.00</p>	<p>100.00%</p>	<p>Own Funds</p>	<p>No</p>	<p>Long-term</p>	<p>Manufacturing and sales of waterproofing membrane products, lightweight building materials, thermal insulation and sound insulation materials; manufacturing of coatings (excluding hazardous chemicals), etc.</p>	<p>Completed</p>	<p>19,541.54</p>	<p>19,541.54</p>	<p>No</p>		
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Tianjin Hongyue Cloud Technology Co., Ltd.	Sales of mechanical parts and components, building materials, building decoration materials, cement products, waterproofing membrane products, insulation materials and anti-corrosion materials	None	5,000,000.00	100.00%	Own Funds	No	Long-term	Sales of mechanical parts and components, building materials, building decoration materials, cement products, waterproofing membrane products, insulation materials and anti-corrosion materials	Completed	13,233,393.63	13,233,393.63	No		
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<p>Hongsheng (Beijing) New Energy Technology Co., Ltd.</p>	<p>Energy storage technology services; sales of solar power generation products; project management services; project cost consulting business; import and export of goods; manufacturing and sales of photovoltaic equipment and components; R&D of electromechanical coupling systems</p>	<p>Net sales</p>	<p>28,270,000.00</p>	<p>100.00%</p>	<p>Own Funds</p>	<p>No</p>	<p>Long-term</p>	<p>Energy storage technology services; sales of solar power generation products; project management services; project cost consulting business; import and export of goods; manufacturing and sales of photovoltaic equipment and components; R&D of electromechanical coupling systems</p>	<p>Completed</p>	<p>796,807.84</p>	<p>796,807.84</p>	<p>No</p>		
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Oriental Yuhong Pipe Technology Co., Ltd.	Manufacturing and sales of glass fiber reinforced plastic products; coatings (excluding hazardous chemicals); waterproofing membrane products, etc.	Newly established	40,000,000.00	100.00%	Own Funds	No	Long-term	Manufacturing and sales of glass fiber reinforced plastic products; coatings (excluding hazardous chemicals); waterproofing membrane products, etc.	Completed	3,480,458.71	-	3,480,458.71	No	
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Gold en Wrap ping (Shan ghai) Tech nolog y Co., Ltd.	Various engineeri ng construct ion activities ; import and export of goods and technolo gy; import and export agency; construct ion engineeri ng design	N e wl y- es ta bl is he d	19,00 0,000 .00	100.0 0%	Own Fund s	No	Long -term	Various engineeri ng constructi on activities; import and export of goods and technolog y; import and export agency; constructi on engineeri ng design	C o m pl et ed	- 2,773 ,255. 79	- 2,773 ,255. 79	No		
Chen zhou Orien tal Yuhong Const ructio n Mater ials Tech nolog y Co., Ltd.	Construc tion engineeri ng, manufact uring and sales of coatings and waterpro ofing membra ne products;	N e wl y- es ta bl is he d	14,99 0,000 .00	100.0 0%	Own Fund s	No	Long -term	Construct ion engineeri ng, manufact uring and sales of coatings and waterpro ofing membran e products;	C o m pl et ed	- 1,196 ,863. 02	- 1,196 ,863. 02	No		



Yangzhou Oriental Yuhong New Materials Co., Ltd.	Construction engineering, manufacturing and sales of coatings and waterproofing membrane products;	Newly established	43,370,000.00	100.00%	Own Funds	No	Long-term	Construction engineering, manufacturing and sales of coatings and waterproofing membrane products;	Completed	-	-	2,372,280.85	2,372,280.85	No		
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Xuzhou Oriental Yuhong New Materials Co., Ltd.	R&D of new material technology; manufacturing and sales of sealing packing; production of fireproof sealing materials; manufacturing of rubber products; new material technology promotion services, etc.	Newly established	50,000,000.00	100.00%	Own Funds	No	Long-term	R&D of new material technology; manufacturing and sales of sealing packing; production of fireproof sealing materials; manufacturing of rubber products; new material technology promotion services, etc.	Completed	- 1,656,973.89	- 1,656,973.89	No		
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<p>Chan gdao Orien tal Yuhu ng Water proof Tech nolog y Co., Ltd.</p>	<p>Manufac turing of waterpro ofing membra ne products; manufac turing and sales of thermal insulatio n and sound insulatio n materials ; manufac turing of lightwei ght building materials ; manufac turing and sales of rubber products; etc.</p>	<p>N e wl y- es ta bl is hed</p>	<p>100,0 00.00</p>	<p>100.0 0%</p>	<p>Own Fund s</p>	<p>No</p>	<p>Long -term</p>	<p>Manufac turing of waterpro ofing membran e products; manufac turing and sales of thermal insulation and sound insulation materials; manufac turing of lightweig ht building materials; manufac turing and sales of rubber products; etc.</p>	<p>C o m pl et ed</p>	<p>1,614 ,493. 85</p>	<p>1,614 ,493. 85</p>	<p>No</p>		
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Fujian Oriental Yuhong Building Materials Technology Co., Ltd.	Construction engineering, manufacturing and sales of coatings and waterproofing membrane products;	Newly established	450,000.00	90.00%	Own Funds	Fuzhou Industrial Investment Group Co., Ltd.	Long-term	Construction engineering, manufacturing and sales of coatings and waterproofing membrane products;	Completed	-	-	607,461.74	607,461.74	No		
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<p>Cangzhou Oriental Yuhong Construction Technology Co., Ltd.</p>	<p>Manufacturing of waterproofing membrane products; manufacturing and sales of thermal insulation and sound insulation materials; manufacturing of lightweight building materials; manufacturing and sales of rubber products; etc.</p>	<p>None</p>	<p>50,000.00</p>	<p>52.00%</p>	<p>Own Funds</p>	<p>Cangzhou Transportation Development (Group) Co., Ltd.</p>	<p>Long-term</p>	<p>Manufacturing of waterproofing membrane products; manufacturing and sales of thermal insulation and sound insulation materials; manufacturing of lightweight building materials; manufacturing and sales of rubber products; etc.</p>	<p>Completed</p>	<p>0.00</p>	<p>0.00</p>	<p>No</p>		
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Oriental Yuhong North American, LLC	Researching about Waterproof Materials	Newly established	66,598,280.00	100.00%	Own Funds	No	Long-term	Researching about Waterproof Materials	Completed	-	25,254,727.09	-	25,254,727.09	No		
Hubei Yuhong Xingfa New Materials Co., Ltd.	Manufacturing of sealant; sales of special chemical products (excluding hazardous), building material, synthetic material and building decoration material, etc.	Acquisition	3,188,899.84	69.09%	Own Funds	Hubei Xingrui Silicon Materials Co., Ltd.	Long-term	Manufacturing of sealant; sales of special chemical products (excluding hazardous), building material, synthetic material and building decoration material, etc.	Completed	5,343,397.17	5,343,397.17	No				
Total	--	--	1,126,685,365.86	--	--	--	--	--	--	41,063,194.87	41,063,194.87	--	--	--	--	

3. Significant non-equity investment during the Reporting Period

Applicable Not Applicable

4. Investment in financial assets

(1) Securities investment

Applicable Not Applicable

There is no securities investment during the Reporting Period.

(2) Investment in derivatives

Applicable Not Applicable

There is no investment in derivatives during the Reporting Period.

5. Use of raised fund

Applicable Not applicable

(1) Use of raised fund

Applicable Not applicable

Unit: RMB 10,000

Year of raised fund	Financing Mode	Total Amount of Raised Fund	Used fund for the Reporting Period	Accumulated Amount of Used Fund	Total Amount of Raised Fund that Changed the Purpose of Use of the Current Period	Total Accumulated Amount of Raised Fund that Changed the Purpose of Use	Year of raised fund	Financing Mode	Total Amount of Raised Fund	Used fund for the Reporting Period	Year of raised fund
2021	Private offering	800,000	799,309.71	45,715.86	583,930.75	20,453.1	20,453.1	2.56%	7,430.87	Fund-raising Project	0
Total	--	800,000	799,309.71	45,715.86	583,930.75	20,453.1	20,453.1	2.56%	7,430.87	--	0

Explanation of the use of raised fund

The use of the raised funds for 2023 is as follows: (1) The raised funds of RMB 457,158,600 were directly invested in the investment projects. As of December 31, 2023, the Company's raised funds of RMB 5,839,130,700 have been invested in the investment projects in total. (2) Supplementary working capital of RMB 1,874.95 million. Of the surplus raised funds RMB 204.531 million is used to permanently replenish working capital. The unused raised funds amounting to RMB 74.3087 million. The raised funds of RMB 92,821,700 were stored in a special account, including RMB 74,308,700 of raised funds, RMB 15,410,100 of interest in the special account after deducting handling fees, and other payable issuance expenses of RMB 3,102,900.

(2) Utilization of Promised Projects of Raised Capital

√ Applicable □ Not applicable

Unit: RMB 10,000

Promise d Projects and Utilizati on of Over- raised Fund	Whether There is a Change of Investm ent Project (includi ng Partial Chang)	Promise d Investm ent of Raised Fund	Total Investm ent after Adjustm ent (1)	Investm ent of the Reportin g Period	Accumu lated Investm ent as of the Closing Date of the Reportin g Period (2)	Investm ent Progress as of the Closing Date of the Reportin g Period (3) = (2)/(1)	Date when the Project is Due for Use	Realized Income of the Reportin g Period	Whether the Expecte d Income is Reached	Whether There is a Signific ant Change of the Project Feasibili ty
Promised Projects										



Polymer waterpro of rolling material construc tion project of Oriental Yuhong Waterpr oof Technol ogy Co., Ltd.	No	6,567.57	6,567.57	0	6,143.3	93.54%	Decemb er 31, 2021	1,965.61	Yes	No
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<p>Automat ic producti on line upgrade project, with an annual producti on of 27 million square meters of modifie d asphalt waterpro of roll material and 25,000 tons of asphalt paints</p>	No	9,028.92	9,028.92	502.13	4,510.3	49.95%	Decemb er 31, 2021	3,428.84	Yes	No
<p>Novel energy saving thermal preserva tion and sealing material project with an annual producti on of 2,000to</p>	No	16,307.5 6	16,307.5 6	273.52	10,439.3 3	64.02%	July 1, 2022	400.24	Yes	No



ns										
Huadu producti on base project of Guangd ong Oriental Yuhong Building Material Co., Ltd.	No	116,521. 61	116,521. 61	10,347.7 2	54,693.7 5	46.94%	Decemb er 31, 2025	12,750.4 7	Yes	No
Producti on base project of Baoding Oriental Yuhong Building Material Co., Ltd	No	30,815.8 7	30,815.8 7	1,959.51	30,890.7 2	100.24 %	Decemb er 31, 2021	2,602.25	Yes	No



<p>Oriental Yuhong Hainan Yangpu Green New Materials Comprehensive Industrial Park Project.</p>	<p>No</p>	<p>32,449.89</p>	<p>32,449.89</p>	<p>4,625.33</p>	<p>14,891.03</p>	<p>45.89%</p>	<p>December 31, 2022</p>	<p>1,644.17</p>	<p>Yes</p>	<p>No</p>
<p>Production base project of Chongqing Oriental Yuhong Building Material Co., Ltd.</p>	<p>No</p>	<p>45,686.33</p>	<p>45,686.33</p>	<p>2,215.43</p>	<p>25,584.44</p>	<p>56.00%</p>	<p>December 31, 2023</p>	<p>8,490.18</p>	<p>Yes</p>	<p>No</p>
<p>Production base project of Nantong Oriental Yuhong Building Material Co., Ltd.</p>	<p>No</p>	<p>27,066.52</p>	<p>6,613.42</p>	<p>906.21</p>	<p>6,716.14</p>			<p>0</p>	<p>N/A</p>	<p>Yes</p>



Producti on base project of Jilin Oriental Yuhong Building Material Co., Ltd.	No	14,619.9 8	14,619.9 8	27.69	12,647.6 8	86.51%	March 31, 2022	2,391.28	Yes	No
Function al thin films project with annual output of 135,000 tons	No	104,317. 09	104,317. 09	8,814.12	55,137.3	52.86%	July 1, 2022	5,258.44	Yes	No
Equipm ent research headqua rter project of Jilin Oriental Yuhong Building Material Co., Ltd.	No	28,342.4 2	28,342.4 2	2,541	27,138.1 3	95.75%	Decemb er 31, 2021	0	N/A	No



Nonwovens project with annual output of 150,000 tons	No	128,276.24	128,276.24	13,503.2	96,138.63	74.95%	December 31, 2022	7,636.42	Yes	No
Supplement Circulating Funds	No	240,000	240,000	0	239,000	99.58%		0	N/A	No
Permanently replenish working capital	No	0	20,453.1	0	0	0.00%		0	N/A	No
Aggregated amount of affirmative projects	--	800,000	800,000	45,715.86	583,930.75	--	--	46,567.9	--	--
The investment of excessive raised funds										
No		0	0	0	0	0.00%				
Bank loans repaid (if any)	--	0	0	0	0	0.00%	--	--	--	--



Supplementary working capital (if any)	--	0	0	0	0	0.00%	--	--	--	--
Subtotal of overraised capital investment	--	0	0	0	0	--	--	0	--	--
Total	--	800,000	800,000	45,715.86	583,930.75	--	--	46,567.9	--	--

Describe the situation and reasons for the failure to achieve the planned progress and expected benefits by project (including the reasons for selecting “Not applicable” for “whether the expected benefits have been achieved”)	<p>1. Automatic production line upgrade project, with an annual production of 27 million square meters of modified asphalt waterproof roll material and 25,000 tons of asphalt paints: The fundraising project has reached the scheduled state of availability on December 31, 2021. The expected benefits have been achieved. However, due to the time-consuming settlement of the project completed, the payment of the planned raised funds was delayed. Meanwhile, the Company achieved cost reduction and efficiency enhancement from the aspects of material procurement, process improvement, technology upgrading, and independent development of some equipment to achieve equipment upgrading. Therefore, the raised funds for the investment projects were not used up.</p> <p>2. Guangdong Oriental Yuhong Building Materials Co., Ltd. Huadu Production Base Project and Chongqing Oriental Yuhong Building Materials Co., Ltd. Production Base Project: On April 18, 2024, the Company held the 21st meeting of the 8th Board of Directors and the 12th meeting of the 8th Supervisory Board reviewed and approved the "Proposal on the Extension of Partially Raised Funds for Investment Projects". Considering the current changes in industry demand, regional market development, the company's future product structure and production capacity layout planning, and the fact that some of the raised investment projects are affected due to the delay of project construction, equipment procurement and installation, in order to ensure the quality and benefit of the project, and the safe and rational use of funds so that the implementation of investment projects with raised funds are more in line with the company's long-term development strategy and shareholders interest, after careful study, the Company has decided to reschedule the completion date of Huadu production base of Guangdong Oriental Yuhong Building Materials Co., Ltd. and the production base of Chongqing Oriental Yuhong Building Materials Co., Ltd. from December 31, 2023 to December 31, 2025 respectively without changing the project implementation entity, implementation location and investment scale.</p> <p>3. Oriental Yuhonghai Nanyangpu Green New Materials Comprehensive Industrial Park Project: Except for the polycarboxylate water-reducing agent production line, other production lines and related supporting facilities have been completed and put into operation and are making profit. Judging from the changes in market demand, the current product structure and capacity layout planning can meet the actual needs of the current investment project. Therefore, based on the actual development of the project, changes in market demand, and the company's future product structure and production capacity layout planning, the Company has decided to change the use of funds raised from the Yangpu project and permanently replenish working capital with the remaining funds raised from the project, which will be used for the company's daily production and operation activities to support the development of the company's main business, and safeguard the interests of listed companies and shareholders. On April 18, 2024, the Company's 21st meeting of the 8th board of directors and the 12th meeting of the 8th board of supervisors reviewed and approved the "Proposal on the Closing and Change of Partial Raised Funds Investment Projects and the Permanent Replenishment of Working Capital with the Surplus Raised Funds", agreeing to change the use of funds raised for Oriental Yuhonghai Nanyangpu Green New Materials Comprehensive Industrial Park project and permanently replenish working capital with the surplus funds. This matter still needs to be submitted to the Company's 2023 annual shareholders' meeting for review.</p>
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Explanations for the circumstances where the project fails to be on schedule or reach expected income	<p>Nantong Oriental Yuhong Building Materials Co., Ltd. production base project was formulated by the Company based on factors such as the market environment, industry development trends and the Company's actual situation in 2020. In recent years, the external macro and market environment has undergone many changes and the Company's business strategy has also been adjusted accordingly, and the production capacity layout has been continuously optimized. Considering the factors such as the current regional strategic planning, business policies, the economic transportation radius of waterproof building material and mortar, logistics costs, inventory scale, and personnel reserves, the current capacity layout is sufficient to cover the current market demand in East China. Therefore, in order to maximize the Company's efficiency and shareholders' interests, the Company has decided to change the use of raised funds for the original Nantong Oriental Yuhong Building Materials Co., Ltd. production base project, and use the remaining raised funds to permanently replenish working capital for the company's daily production and operation activities. On April 12, 2023, the 6th meeting of the company's 8th board of directors and the 4th meeting of the 8th board of supervisors reviewed and approved the "Proposal on Changing the Use of Partial Raised Funds and the Permanent Replenish of Working Capital", agreeing to use the remaining funds raised for the project to permanently replenish working capital. This matter has been reviewed and approved by the 2022 General Assembly. During the reporting period, the Company has returned all idle raised funds for the Nantong Project to the special account for raised funds, and has used the remaining raised funds from the Nantong Project to permanently replenish working capital.</p>
Amount, purpose of use and utilization of over-raised fund	N/A
Change of project site funded by raised fund	N/A

Change of the implementation mode of the project funded by raised fund	N/A
Initial Investment in Projects Due to be Financed by Raised Fund and Replacement of Raised Fund	<p>Applicable</p> <p>As of April 6, 2021, before the raised funds were in place, the Company has invested a total of 895.1212 million yuan in investment projects with self-raised funds, including: 3,927.85 yuan for the polymer waterproof membrane construction project of Hangzhou Oriental Yuhong Building Materials Co., Ltd. with an annual output of 27 million square meters of modified asphalt waterproof roll; 29.5143 million yuan for the technological transformation and upgrading of asphalt coating automated production line, with an annual output of 25,000 ton asphalt; 76.5641 million yuan for the new energy-saving thermal insulation sealing material project with an annual output of 20,000 tons; 153.1888 million yuan for Guangdong Oriental Yuhong Building Materials Co., Ltd. Huadu production base; 101.4611 million yuan for Baoding Oriental Yuhong Building Materials Co., Ltd.'s production base; 20.9769 million yuan for the Oriental Yuhonghai Nanyangpu Green New Materials Comprehensive Industrial Park project; 50.337 million yuan for Chongqing Oriental Yuhong Building Materials Co., Ltd. production base; 14.278 million yuan for Nantong Oriental Yuhong Building Materials Co., Ltd. production base; 30.7738 million yuan for Jilin Oriental Yuhong Building Materials Co., Ltd. production base; 78.9347 million yuan for the functional film project with an annual output of 135,000 tons; 98.8792 million yuan for Oriental Yuhong New Material Equipment R&D headquarter base project; and 200.9349 million yuan for the nonwoven project with an annual output of 150,000 tons .</p> <p>On April 7, 2021, the Company held the 32nd meeting of the 7th board of directors, reviewed and approved the "Proposal on Using Partial Raised Funds to Replace the Pre-Investment Self-raised Funds in the Raised Investment Projects", agreeing that the Company would replace a total of 895.1212 million yuan self-raised capital. The above matters have been verified by Grant Thornton Certified Public Accountants (Special General Partnership), and the firm has issued the Assurance Report Grant Thornton (2021) No. 110A005237 "About Beijing Oriental Yuhong Waterproof Technology Co., Ltd.'s pre-investment in Raised Capital Investment Projects with Self-raised Funds". The Company's board of supervisors, independent directors and sponsors gave their explicit consent. The Company has transferred the above funds from the</p>

	special account for raised funds to other bank accounts of the Company.
Temporary Use of Idle Raised Fund as Working Capital	N/A
Balance of the Raised Fund and	N/A

Reason	
Utilization Of Remaining Raised Fund	No
Problems or other circumstances in the use of raised fund and disclosure	No

(3) Change of Investment Projects Financed by Raised Fund

Applicable Not Applicable

Unit: 10,000 RMB

Changed items	Original project	Total investment planned after the change (1)	Actual investment during this reporting period	Actual cumulative investment as of the end of the period (2)	Investment progress as of the end of the period (3) = (2)/(1)	Planned completion date	Benefits achieved during this reporting period	Whether the expected benefits are achieved	Any significant change of feasibility of the projects after the change



Nantong Oriental Yuhong Building Materials Co., Ltd. Production Base	Nantong Oriental Yuhong Building Materials Co., Ltd. Production Base	6,613.42	906.21	6,716.14	0.00%			0	N/A	Yes
Permanently replenish working capital	Nantong Oriental Yuhong Building Materials Co., Ltd. Production Base	20,453.1			0.00%				N/A	Yes
TOTAL	--	27,066.52	906.21	6,716.14	--	--		0	--	--

Reasons for changes, decision-making procedures and information disclosure (Please be projects specific)

On April 12, 2023, the Company held the 6th meeting of the 8th board of directors and the 4th meeting of the 8th board of supervisors to review and approve the "Proposal on Changing the Use of Partial Raised Funds and Permanently Replenishing Working Capital". Based on the actual operating conditions and development planning, while taking into account the regional market development and the Company's future capacity layout plan, in order to improve the efficiency of the raised funds, the Company agreed to change the use of raised funds for the Nantong Oriental Yuhong Building Materials Co., Ltd. production base project (hereinafter referred to as the "Nantong Project"). The remaining funds raised for the project will be used to permanently replenish working capital. The independent directors and sponsors gave their explicit consent. The matter was reviewed and approved by the Company's 2022 General Assembly on May 5, 2023. For details, please refer to the related announcements published through the Company's designated information disclosure media "Securities Times", "China Securities News" and Juchao Information Network (<http://www.cninfo.com>) on April 13, 2023 and May 6, 2023. During the reporting period, the Company has returned all idle raised funds which was used to temporarily replenish working capital back to the special account for raised funds, and has used the surplus raised funds for the Nantong Project to permanently replenish working capital. For details, please refer to the Company's "Announcement on the Early Return of Partial Idle Funds Which Was Used to Replenish Working Capital and the Permanent Use of Surplus Funds to Replenish Working Capital" (Announcement Number: 2023-095) published on the designated information disclosure media "Securities Times", "China Securities News" and [cninfo.com](http://www.cninfo.com) (<http://www.cninfo.com.cn>) on November 21, 2023. Please refer to Appendix 2 for details on changes to investment projects with raised funds.

On April 18, 2024, the Company's 21st meeting of the 8th board of directors and the 12th meeting of the 8th board of supervisors reviewed and approved the "Proposal on the Closing and Change of Partial Raised Funds Investment Projects and the Permanent Replenishment of Working Capital with the Surplus Raised Funds". Based on the actual operating conditions and development plans, as well as the regional market development, the Company's future product structure and capacity layout planning, in order to improve the efficiency of the raised funds, the Company agreed to change the use of funds raised for Oriental Yuhonghai Nanyangpu Green New Materials Comprehensive Industrial Park project and permanently replenish working capital with the surplus funds. It was reviewed and approved at a special meeting of independent directors, and the sponsor gave his explicit consent. This matter still needs to be submitted to the Company's

2023 General Assembly for review. For details, please refer to the relevant announcements published on the Company's designated information disclosure media "Securities Times", "China Securities News" and Juchao Information Network (<http://www.cninfo.com.cn>) on April 19, 2024.

Situations and reasons for failure to achieve planned progress or expected benefits (Please be projects specific)	N/A
Description of significant changes in project feasibility after change	<p>Nantong Oriental Yuhong Building Materials Co., Ltd. production base project was formulated by the Company based on factors such as the market environment, industry development trends and the Company's actual situation in 2020. In recent years, the external macro and market environment has undergone many changes and the Company's business strategy has also been adjusted accordingly, and the production capacity layout has been continuously optimized. Considering the factors such as the current regional strategic planning, business policies, the economic transportation radius of waterproof building material and mortar, logistics costs, inventory scale, and personnel reserves, the current capacity layout is sufficient to cover the current market demand in East China. Therefore, in order to maximize the Company's efficiency and shareholders' interests, the Company has decided to change the use of raised funds for the original Nantong Oriental Yuhong Building Materials Co., Ltd. production base project, and use the remaining raised funds to permanently replenish working capital for the company's daily production and operation activities. On April 12, 2023, the 6th meeting of the company's 8th board of directors and the 4th meeting of the 8th board of supervisors reviewed and approved the "Proposal on Changing the Use of Partial Raised Funds and the Permanent Replenishment of Working Capital", agreeing to use the remaining funds raised for the project to permanently replenish working capital. This matter has been reviewed and approved by the 2022 General Assembly. During the reporting period, the Company has returned all idle raised funds for the Nantong Project to the special account for raised funds, and has used the remaining raised funds from the Nantong Project to permanently replenish working capital.</p>

VIII. Sales of significant assets and equity

1. Sales of significant assets

Applicable Not Applicable

During the Reporting Period, the Company didn't sell any material asset.

2. Sales of major equity

Applicable Not Applicable

IX. Analysis of major holding companies

Applicable Not applicable

Main subsidiaries and holding companies that contribute over 10% of the net profit

Unit: RMB

Company Name	Company Type	Principal Activities	Registered Capital	Total Assets	Net Assets	Operating Revenue	Operating Profit	Net Profit
Henan Oriental Yuhong Building Materials Co., Ltd.	Subsidiary	Development, manufacturing, sales and construction of waterproof and anti-corrosion materials, coatings and cement	50000000	1,294,024,596.61	696,054,874.31	1,567,813,764.14	265,116,936.05	234,100,096.44
Hangzhou Oriental Yuhong Building Materials Co., Ltd.	Subsidiary	Development, manufacturing, sales and construction of waterproof and anti-corrosion materials, insulation and mortar	100000000	1,376,074,149.98	631,163,617.36	1,624,453,678.49	232,894,665.06	198,716,781.74



Shanghai Oriental Yuhong Waterproof Technology Co.Ltd.	Subsidiary	Development, manufacturing, sales and construction of waterproof and anti-corrosion materials and thermal insulation materials	160000000	5,959,352,760.58	1,834,829,396.11	4,520,016,219.34	197,554,974.33	170,810,464.60
Yueyang Oriental Yuhong Waterproof Technology Co., Ltd.	Subsidiary	Development, manufacturing, sales and construction of waterproof and anti-corrosion materials, coatings and cement	110000000	2,490,180,006.61	1,552,710,077.80	1,663,791,512.00	198,048,846.37	170,129,002.38

Tangshan Oriental Yuhong Waterproof Technology Co., Ltd.	Subsidiary	Technology development and sales of building materials, decorative materials, and waterproof construction	150000000	1,188,856,068.54	805,322,318.70	1,839,470,555.04	188,473,266.93	161,536,603.55
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Acquisition or disposal of subsidiaries during the Reporting Period

√ Applicable □ Not applicable

Company Name	Mode of acquisition or disposal of subsidiaries during the Reporting Period	Influence on the Production, Operation and Performance
Sichuan Oriental Yuhong Building Materials Co., Ltd.	Acquisition	No significant influence
Qingyuan Boyu Real Estate Investment Co., Ltd.	Newly established	No significant influence
Changdao Oriental Yuhong Waterproof Technology Co., Ltd.	Newly established	No significant influence
Wuhan Oriental Yuhong Jinghong Technology Engineering Co., Ltd.	Newly established	No significant influence
ORIENTAL YUHONG INVESTMENT (SINGAPORE) PTE.LTD	Newly established	No significant influence
Inner Mongolia Oriental Yuhong New Materials Co., Ltd.	Newly established	No significant influence
Oriental Yuhong Home Technology Co., Ltd.	Newly established	No significant influence

Zhejiang Oriental Yuhong Waterproof Technology Co., Ltd.	Newly established	No significant influence
Zhejiang Oriental Yuhong Technology Development Co., Ltd.	Deregistered	No significant influence
Shanghai Welltech New Materials Co., Ltd.	Disposed	No significant influence

Information of major holding companies

During the reporting period, Henan Oriental Yuhong Building Materials Co., Ltd., Hangzhou Oriental Yuhong Building Materials Co., Ltd., Shanghai Oriental Yuhong Waterproof Technology Co., Ltd., Yueyang Oriental Yuhong Waterproof Technology Co., Ltd., Tangshan Oriental Yuhong Waterproof Technology Co., Ltd. have realized net profit of RMB 234,100,096.44, RMB198,716,781.74, RMB170,810,464.60, RMB170,129,002.38 and RMB161,536,603.55 respectively. The acquisition and disposal of subsidiaries during the reporting period haven't had any significant impact on the production, operation and performance of the Company.

X. Structured entities controlled by the Company

Applicable Not Applicable

XI. Outlook for Future Development of the Company

(i) Industry pattern and development trend

For details, please refer to “I. Overview of the Industry Where the Company Operates During the Reporting Period” in Chapter 3 “Management Discussion and Analysis” of this report.

In the future, the awareness of strengthening corporate innovation capabilities and motivation will continue to grow. Driven by innovations such as technological exchanges, process improvements, production management improvement, the implementation of lean production and refined management, exploration of new operating methods and transformation of business models, the categories of building materials are getting more diversified as the quality gets better.

The application scenarios have been expanded from the housing construction to infrastructure construction such as high-speed railways, highways, urban roads and bridges, subways and urban rails, airports and water conservancy facilities, public building construction, new infrastructure, industrial and mining warehousing logistics and affordable housing, renovation of old houses, renovation of urban villages, and urban renewal. With the development of constructions under the concept such as urban renewal and urbanization, and “Belt and Road”, and the introduction of relevant policies in the new energy field under the background of "double carbon", the building

materials industry will embrace more opportunities. The opportunities and directions of the future industry development will also encourage outstanding companies in the industry to continue to grow bigger and stronger.

(ii). Corporate Development Strategy

1. Business Development

Continue to innovate and upgrade services that are based on China's large market, global development driven, and customer-oriented, strengthen the core competitiveness of the main waterproofing business, achieve deep integration of direct sales and channels through regional integrated management, integrate superior resources, strengthen market coverage, consolidate and improve market share, meanwhile further develop the partnership mechanism, go all out to develop partners, expand and strengthen the engineering market in a gradual manner; take the initiative to expand the field of building materials in civil engineering, and develop retail business with all efforts; cultivate and develop new business sectors such as architectural coatings, building repair, sand technology, and Hongsheng new energy while relying on the core resources and capabilities of the main waterproofing business. The company advocates going globally to develop overseas markets, to grow into the world's leading system service provider of building materials in a gradual manner, and to commit itself to becoming the most valuable company in the global building materials industry.

2. Risk Management

Establish risk management system in all respects with improving business operation at its core, control various business operation and management risks, increase risk awareness and achieve scientific management, achieve scientific management. Pay attention to advance risk management, continuous process management and accountability mechanism, and build a team with improved expertise in risk management. Strengthen thorough management of projects, contract upgrading and tracking of contract performance, enhance policy formulation and process management of the receivables, continuously improve receivables management system, and upgrade market management tools. By strengthening internal sales management and product tracing, crack down on counterfeiting, uphold market order as well as the rights and interests of the brand, safeguard safe operation and effectively protect the fundamental interests of the company.

3. Brand Development

With the vision of "the One and Only Oriental Yuhong", reshape brand recognition, optimize brand experience, achieve brand leadership, develop brand-oriented and distinctive system services, develop solid brand recognition, reputation and image for customers, transform from "brand led by

business" to "business led by brand", improve brand value in all respects and build an international brand with global influence.

4. Production and Operation

Prioritize safety and quality, insist on cost leadership, improve Lean Production System, implement multiple initiatives to reduce costs and increase efficiency, and achieve standardization and modernization of production management; optimize the layout of production capacity, improve the efficiency of supply chain operations, and increase the radiation range of products and services; promote the informatization of production and operations, develop smart factories, and provide support for the company's strategic goals.

5. Technological Research and Development

Increase investment in R&D and promote R&D with full efforts to make R&D the real engine of the company's development. Build an efficient R&D platform and an open cooperation mechanism to lead the technological progress of the industry. Continuously develop new products, new technologies and new workmanship, improve the quality and performance of existing products, and improve product varieties and specifications to meet the market demand for the company's waterproofing products and other new business. Take product innovation as the leading drive for overall innovation of production workmanship, equipment and application technology, and construction technology, so as to create top-tier product quality.

6. Human Resources

By implementing the concept of "managing Yuhong by elites", under the central guideline "creating and sharing for all" of human resource management, focus on talent training and management mechanism, continuously optimize departmental, organizational and staff structure, and gradually develop lean, efficient and elite talent management mode to meet the company's development and operation needs.

7. Financial Management

Refine budget management to reduce costs; strengthen accounting and make good decision support; achieve centralized funds and improve asset management; deepen financial management to all aspects of the value chain, promote the integration of financial management and business processes, keep developing a financial sharing center, and achieve comprehensive finance digitalization.

8. Informatization

Reengineer processes in all areas of production, operation and management through digital means to improve management level and efficiency and reduce management risks; establish data assets and big data analysis system for the Company to explore data value; promote the construction of

smart factories and industrial Internet platforms to improve production efficiency and build the Company's digital core competitiveness.

9. Acquisition and Merger

On the premise of maintaining high-quality and steady development, based on its strategic development layout and planning, and the investment and M&A strategy of "expanding product categories and services", the Company closely follows the global market trends, seize quality strategic investment and M&A opportunities around the world to maximize its business synergy and achieve the optimal allocation of resources. The Company constantly seeks value creation and value growth points, and improved its industrial layout and overseas market expansion through investment and mergers, which in turn increased the Company's market share, core competitiveness and sustainable profitability.

10. Green, Low-carbon Sustainable Development

The Company integrates the concept of sustainable development into its management and operation, and is constantly improving its sustainable development management structure and work system. The Company carried out a series of trainings in order to enhance the awareness for sustainable development of the management staff and employees, and to consolidate the work foundation. The Company identifies and determines important sustainable development issues mainly from five major areas, including "quality management, green innovation, environmental protection, employee development, win-win cooperation", while taking into consideration of the Company's business and concerns from internal and external stakeholders. These issues are then developed into responsibility specific projects and are implemented internally so as to improve the level of sustainable development.

(III) Business Plan for the Coming Year

Based on the analysis of the macro-economy and the Company's core competitive edges, as well as its development strategy, in 2024, the Company will embrace the work theme of "Work Hard, Take on More Responsibility, Stay Committed, Pursue a Better Future, and Move forward Swiftly, Resolutely, and Fiercely". The business plan for the coming year is summarized as follows:

1. Fully committing to developing partners and deeply advancing the "platform + creators" model

The Company will deeply advance the "platform + creators" business management model. With a fearless spirit of pioneering and striving, we aim to build a platform-based enterprise, returning to the commercial essence of diligent workmanship. Prioritizing partners, we will upgrade the partnership system and fully commit to developing various types of partners. Sales through partner channels will become the Company's primary sales model. We will strengthen the promotion of

new fields and products, enhance development in untapped, weak, and non-housing markets, thereby further increasing our market share.

2. Persisting in technological innovation, enhancing product and service capabilities, and expanding core competitive advantages

The Company will continuously inspire innovation in technology, increase R&D investments, and improve development models through international cooperation, academia-industry partnerships, and vertical collaborations. By deeply integrating R&D with market needs, we will rapidly respond to market demands, enhance our core materials, product systems, application technology, and smart construction. We will accelerate breakthroughs in key technologies and industry upgrading to improve quality. Focusing on our core business while promoting diversification, we maintain technology-led product upgrades and service enhancements, optimize product structure, and insight into customer needs and product trends to further expand our advantages in product quality and service.

3. Prioritizing risk control and effectively improving operational quality

The Company will upgrade credit policies and project penetration management, firmly enforce zero-tolerance control of due accounts receivable, total accounts receivable control and non-performing asset ratio control, monitor project performance in real-time, continuously improve cash flow, and ensure financial security. The Company will enhance contract management, reinforce process control, upgrade collection efforts, and comprehensively establish a professional and persistent collections team.

4. Prioritizing retail to achieve comprehensive market leadership

The Company will seize strategic opportunities in the retail market. We will continue to deepen our strengths in key areas, expand product categories, strengthen channels, broaden services, develop collectively, promote industry synergy, solidify our market foundation, strengthen core product categories, enrich product tiers, and gather collaborative development efforts. This will drive the Company's transformation and implementation in the global consumer building materials sector, moving forward swiftly, resolutely and fiercely. Civil Building Materials Group will continue to maintain the spirit of "Keep Moving towards No. 1" with unwavering morale. Yuhong Home Delivery Service will continue to focus on the post-construction market, fostering new business nodes to support Company growth. The building coating retail business will seize transformation opportunities to continue pushing the century-old German brand, DAW, to domestic customers.

5. Continuing to implement and upgrade the business model to foster the growth of Mortar and Powder Technology Group

Mortar and Powder Technology Group will upgrade the integrated operation of the mortar and powder factory, focusing on R&D, production, supply, marketing, and service. This will further strengthen and optimize localized integrated operations, optimize production layout, and expand cost leadership advantages. We will further reinforce supply chain management, extend our core supply chain advantages, enhance the promotion of new products, and increase the market share of various product categories.

6. Fully advancing globalization and developing overseas markets

The Company will concentrate on the Southeast Asia and Middle East markets, actively explore pathways for overseas market development, increase exports, and increase the input of overseas resources. We will establish overseas offices and subsidiaries in select countries to enable localized operations, and improve localized, differentiated, and customized product strategies in key countries and regions. Furthermore, we will further implement the strategies such as international research, overseas warehousing, overseas M&As, overseas factory building, overseas talent development, and overseas channel development. Last but not least, we will continuously pursue the international, professional, and local talent strategy, and achieve diversified business models, such as overseas engineering, trading, and retail.

(iv) Possible risks

1. Industrial Policies

The government has issued a series of policies and guidelines to regulate and guide the sound and healthy development of the waterproof & building material industry. In recent years, due to higher requirements for low-carbon energy conservation and environmental protection, China has promulgated and adopted higher environmental protection standards. The energy-saving and environmental protection policies have doubled the pressure on the Company. In addition, the taxation policies are under adjustment. Changes in policies and laws pose risks to the Company as well.

The Company will continue to organize the management to learn relevant laws and regulations, study newly issued national policies and systems in real time, and evaluate the impact of the policies. Consequent strategy adjustments and business changes shall be promoted and carried out across the company in a timely manner. The Company will abide by national laws, respond to national policies, and stick to the sustainable development path. It will deeply integrate the concept of benefitting people and the environment with the Company's strategy, production and management, and technological innovation, establish a sound environmental management system, practice the concept of green and low-carbon development, and promote R&D and application of

environmental technology, so as to build a create a green building materials system, promote the high-quality development of the industry, meet the people's demand for better living, and contribute to the construction of a harmonious habitat.

2. Macro-control policies of the real estate industry and industry fluctuations

The real estate industry is a major market of building waterproof materials and waterproof construction projects. It contributes to the Company's operating income and net profit. In recent years, the real estate industry has undergone multiple rounds of policy adjustments such as de-leveraging, destocking, and capital tightening. In the future, the Company may be subject to the impact from increasing downward pressure from domestic economy, macro-control policies of the real estate market and general industrial trend, thus experiencing adverse effects on operations.

The Company has taken a number of measures to avoid the adverse impact of fluctuations in the real estate industry on the Company: give full play to its advantages in research and development, production, technology and system service level. Through its nationwide sales channel network and other advantages, the Company further explores diversified application scenarios and expands its business scopes such as affordable housing, infrastructure construction, emerging urban infrastructure, and industrial and mining warehousing and logistics. In so doing, the Company enriches its product categories, upgrades its product systems and marketing models, and enhances its market shares in the non-real estate sectors. Apart from that, the Company continues to optimize and reform its channels, and explored opportunities for renovation business from the existing construction market such as old house renovation, urban village renovation, and urban renewal. In the field of civil building materials, the Company vigorously develops retail business, while establishing long-term and stable strategic cooperation with high-quality large enterprises. Driven by innovation, the Company takes leverage of the synergy effect of its national channel network for its waterproofing business, actively explores opportunities in the field of mortar powders, building decoration, thermal insulations, adhesives, pipes, new energy, nonwoven fabrics, special films, emulsions and other fields, to create new value points for the company. Meanwhile, the Company also explores overseas markets and actively promotes global strategic layout on emerging markets.

3. Fluctuations in raw material prices

The raw materials used in the Company's production activities include asphalt, SBS modifiers, polyester matrix, emulsion, polyether, TDI, MDI, TPO resins, etc., among which the petrochemical products account for a large proportion. These products are easily affected by the changes in international crude oil prices and the supply-demand of petrochemical products. When global crude oil price fluctuates, there will be fluctuations in the price of related petrochemical products.

Therefore, if the market prices of these raw materials experience major fluctuations, the company's profitability would be affected.

In order to cope with the risk of raw material price fluctuation, the Company now has established a mature and complete raw material procurement system, and adopts appropriate off-season procurement and opportune procurement strategies to reduce procurement costs according to production and operation needs and industry market conditions. The Company has established a strategic cooperative relationship with major upstream raw material suppliers by taking advantage of the scale of operation to ensure that it can obtain the main raw materials at a relatively low price for a long time, so as to reduce the production cost of products. By accurately grasping the market trend, the procurement department reasonably arranges the procurement time and plan of key materials, and the departments cooperate efficiently to effectively control the cost through technological progress, the advantages of collecting main raw materials, improving bargaining power and scale efficiency. The company also intensifies the development of alternative raw materials and the update of the core formula system to reduce production costs. In addition, the Company has advanced production equipment at the leading level in the Asia-Pacific region, and the production scale and production line layout of its products are at a higher level in the industry. Large-scale production also brings about a reduction in management costs and expenses. The Company is also constantly exploring lean manufacturing with innovation at the core, improving the technical level of process equipment, enhancing the efficiency of production lines, increasing product performance stability, reducing energy consumption, and further reducing production costs. Meanwhile, in order to ensure the supply stability of some key raw materials and further optimize the cost of raw materials, the company's industrial chain has been extended to some upstream raw materials such as non-woven fabrics, functional films, VAE emulsions and VAEP rubber powder, so as to enhance the risk resistance of its procurement links and further build and deepen the industry moat.

4. Market competition

As the pattern of "large industry, small enterprise" remains, market concentration is low. As the industrial transformation and upgrading accelerates, more enterprises begin to leverage social capital and fixed asset investment is growing at a faster pace. As the competitors develop rapidly, the Company is faced with fierce competition in some regional markets. In addition, as the waterproofing market in China is extensive, some major European and American building materials companies as well as domestic companies not specializing in waterproof materials are making presence in the waterproofing market. The Company is faced with risks in market expansion,

product competitiveness and market share.

In the future, the Company will continue to give full play to its advantages in technological innovation, product optimization and upgrading, environmental protection and market development, and continue to enhance the Company's brand impact. At the same time, the Company will invest in the production and R&D projects, continue to optimize the production capacity, and well leverage the Company's advantages in R&D, manufacturing, products, application technology, construction, engineering and technical consulting, thus better meeting the market needs. The stricter industrial regulatory policies will accelerate the elimination of non-standard products and outdated processes and technologies. As the downstream consumer demands upgrade, the Company will continue to give full play to the strengths in technology, R&D, comprehensive product competitiveness, brand, quality, nationwide production capacity and multi-level marketing. We will lead to standardize the industry, enhance the concentration level, and further consolidate the Company's leading position in the industry.

5. Technology theft

Technological innovation is the core driver of enterprise growth. As a high-tech enterprise focusing on the building waterproof industry and extending to upstream and downstream fields such as civil building materials, mortar powder, architectural coatings, energy-saving insulation, adhesives, pipe industry, building repair, new energy, non-woven fabrics, special films, VAE emulsion, VAEP rubber powder, the Company has always attached importance to new products R&D, and developed many new applications and technologies to meet client needs. We have mastered the leading production and construction technologies in China. As the building & waterproof material industry evolves and industrial competition intensifies, the Company will be faced with potential loss of important technicians, new technologies, new products, and infringement of intellectual property rights.

The Company has come up with a strict technical confidentiality system and corresponding management measures to prevent the loss of technicians and the leakage of core technologies. At the same time, the Company implements incentive measures to enhance the ties between the technology and management teams, to enhance the cohesiveness of the technology and management teams. In recent years, the Company's technical team remains grow at a steady pace.

6. Accounts receivable

As the Company makes presence nationwide, the market coverage continues to expand and the account size continues to grow. Our operating income is increasing year by year, and accounts receivable grow at the same time. In the future, accounts receivable could turn into bad debts, which

could affect the Company's operations.

In order to prevent the accounts receivable from turning into bad debts, the Company holds "risk management takes priority", introduces accounts receivable management and control strategies, carries out the whole process management of accounts receivable, and engages all employees in account collection. A special risk management and control center has been established to assess the clients' contractual capacities, and establishes a performance evaluation system to classify customers, and adopt different collection policies for different levels of customers; monitor the whole process of contract review, project visa and payment collection, and follow up the collection of receivable for each specific project of all customers at any time. The risks resulted from accounts receivable shall be prevented by handling contract risks, managing the accounts receivable and credit certificates, and resorting to non-litigation and litigation approaches to collect accounts receivable.

XII. Reception of Survey, Communication, Interview and Other Activities During the Reporting Period

√ Applicable □ Not applicable

Date of reception	Place of reception	Way of reception	Type of reception target	Reception target	Main content discussed and materials provided	Index of basic situation of survey
April 21, 2023	https://rs.p5w.net/html/136714.shtml	Network platform for online communication	Others	Investors who participated in the company's 2022 annual performance online briefing remotely through the "Panoramic Network" website	The company's industry status, development strategy, production operations, financial status, etc.	Details please visit (http://www.cninfo.com.cn)

<p>May 9,2023</p>	<p>Lecture Hall, Building C, No. 19, Kechuang 9th Street, Yizhuang Economic and Technological Development Zone, Beijing</p>	<p>Field research</p>	<p>Attending institutions</p>	<p>Guotai Junan, Tuoling Asset, Bank of Communications Schroder Fund, TEDA Manulife Fund, Gaoyi Asset, Minsheng Canadian Bank Fund, Hanhe Capital, Minsheng Financial, Tengyue Fund, China Life Asset, Sunshine Asset Management, Changsheng Fund, Generali China, CICC Asset Management, Harvest Fund, ICBC Credit Suisse Fund, Xiangju Capital, China Future Capital, WT Asset Management, D1 Capital Partners, Xiangsheng Asset Management, CITIC Asset Management, Qianhe Capital, CITIC Securities, Orient Securities, New Think Investment, China Universal Fund, Ruiyuan Fund, Wells Fargo Fund, Morgan Fund, Runhui Investment, E Funds, China Europe Fund,</p>	<p>1. Visit China Architectural Waterproofing Museum and corporate exhibition halls, understanding the development history of building waterproofing in china and introducing the company's main products and systematic services. 2. Interactive communication. Introducing how the company adjusts itself in the face of fluctuations in the real estate industry; introducing the development plan of the engineering construction group; introducing the engineering channel partner policies; introducing the development of the civil construction group; introducing the development of the Sand Powder Technology Group; introducing the company's development in the field of new energy; Overviewing the</p>	<p>Details please visit (http:// www.c ninfo.c om.cn)</p>
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				Xingshi Investment, Invesco Great Wall Fund, Xinhaida Asset, CITIC Construction Investment Fund, Hongde Fund, Ruiwen Investment, Dajia Assets, China Life Pension, Shanghai Kandao Assets, Ruijun Assets, Heze Fund, First Beijing, China Post Insurance, Shanhai Group, SDIC UBS Fund, Beijing Jiuran Fund, Zheshang Fund, Oriental Marathon, CITIC Construction Investment Securities, Huabao Fund, Bodao Fund, Jinglin Asset, Shenwanlingxin, Sibai Investment, Xitai Investment, Haifutong Fund, Gangrui Capital, Yinhua Fund, Bosera Fund, Shanhe Investment, AEON Insurance Asset Management, Binyuan Capital, Kaiyuan Securities, Qingrong Assets, Winfor Capital,	development of the architectural coatings business; introducing the company's performance bond status; introducing the implementation of new waterproofing regulations; an introduction to the overseas development plans	
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				China Life Asset Management, Jiutai Fund		
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<p>November 8, 2023</p>	<p>Lecture Hall, Building C, No. 19, Kechuang 9th Street, Yizhuang Economic and Technological Development Zone, Beijing</p>	<p>Field research</p>	<p>Attending institutions</p>	<p>Guotai Junan, Wells Fargo Fund, Ruiyuan Fund, Bank of Communications Schroder Fund, ICBC Credit Suisse Fund, China Universal Fund, Guohai Franklin, Tuoling Asset, Dajia Asset, Runhui Asset, China Europe Fund, Dehong Capital, Bosera Fund, Dacheng Fund, New Think Investment, CCB Fund, Huabao Industrial, Ping An Fund, CITIC Self-operated, Minsheng Wealth, Fidelity Fund, CICC Asset Management, Temasek Investment, Chongyang Investment, Ruijun Asset, Hui'an Fund, CITIC PruFund , First Beijing, Danshui Quan, Zhongan Insurance, China-Europe Ruibo Investment, Xitai Investment, CMB Financial Management, Xinhua Pension Insurance, Golden</p>	<p>Introducing how the company will adjust itself in the future in the face of industry fluctuations; introducing the development plan of the engineering construction group; introducing the engineering channel partner management strategy; introducing the future development opportunities of the civil construction group; an introduction to the construction of the company's logistics system; an introduction to the development of the mortar powder business segment; an introduction to the construction repair business segment; introducing how the architectural coatings retail business adjusts itself; an introduction to the company's cost advantages; an introduction to the measures to deal with accounts receivable; an introduction to overseas market expansion.</p>	<p>Details please visit (http://www.cninfo.com.cn)</p>
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				Eagle Fund, Green Fund, Fulin Investment, Guolian Fund, CITIC Construction Investment, Coreview, Chungu Private Equity, Hongde Fund, Hanhe Capital, Bosvalen, CITIC Asset Management, Taikang Asset, Heze Fund, MZ Asset Management, Xinghe Fund, Renqiao Asset, Neuberger Berman Fund, Huatai Securities Investment Department		
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XIII. Implementation of the "Double Improvement of Quality and Return" action plan

Has the company disclosed the “double improvement of quality and return” action plan.

Yes No

Chapter IV Corporate Governance

I. Overview of Corporate Governance

During the reporting period, the company continuously improved its corporate governance structure, improved internal management and standardized operation in strict accordance with the requirements of the *Company Law*, the *Securities Law*, the *Code on Governance of Listed Companies*, the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange* and other relevant laws and regulations of the CSRC and the Shenzhen Stock Exchange, and the governance structure of the company was in compliance with the normative documents on the governance of listed companies issued by the CSRC, continue to improve the corporate governance system and enhance risk-prevention capacity, to safeguard the interests of the company and all shareholders. The company's governance structure is in compliance with the regulatory documents issued by the CSRC on the governance of listed companies, and the company's operation and management are carried out in strict accordance with the requirements of each system.

1. Formulation and Completion of Systems

The company strictly complies with the *Company Law*, the *Securities Law* and other laws and regulations, departmental regulations and relevant regulations issued by the CSRC and the Shenzhen Stock Exchange, and formulates, revises and improves the corporate governance system to regulate the operation of the company. During the reporting period, the Company formulated, revised and improved the corporate governance system and standardized the operation of the company, including the the *Articles of Association*, *Rules of Procedure of the General Meeting of Shareholders*, *Rules of Procedure of the Board of Directors*, *System of Annual Report of Independent Directors*, and the *Management System for Commodity Futures*.

2. Shareholders and Shareholders' Meeting

The company regulates the conduct of shareholders strictly in accordance with the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange* and the *Articles of Association* of the company. The shareholders of the company exercise their rights as shareholders through the general meeting of shareholders, and no direct intervention in the operation and decision-making of the company beyond the general meeting of shareholders and the Board of Directors has occurred. During the reporting period, the company held a total of three shareholders' meetings, the convening and holding procedures, the qualifications of the attendees, the voting procedures, the voting result and the content of the resolutions were in compliance with the relevant provisions of the laws and regulations, the *Articles*

of Association and the Rules of Procedure for Shareholders' Meetings of the company.

3. Directors and Board of Directors

The 8th session of the Board of Directors of the company has 12 directors, including 4 independent directors. The election procedures of directors, the number of directors and the composition of the Board of Directors of the company are in compliance with the requirements of laws and regulations, and the directors perform their duties diligently and conscientiously to safeguard the legitimate rights and interests of the company and all shareholders. The independent directors are able to perform their work duties independently in strict accordance with the Articles of Association and the Independent Directors' System, and express independent opinions on matters such as the use of the company's fund raising, share incentive, employee stock ownership plan, occupying the company's funds by controlling shareholders and other related parties, external guarantees, re-election of the board of directors, appointment of senior management and internal audit chief, related transactions, convening the meeting of Independent Directors to conduct ex-ante review of estimated routine related transactions in 2024, fully leveraging the role of independent directors, to ensure the standardized operation of the company. During the reporting period, the company held a total of 14 meetings of the Board of Directors, the convening and holding procedures of the meetings, the qualification of the attendees, the voting procedures of the meetings, the voting results and the content of the resolutions were in compliance with the laws and regulations, the Articles of Association and the Rules of Procedure of the Board of Directors of the company. The Board of Directors has established four special committees for audit, remuneration and evaluation, nomination, and strategy, and has established and improved the rules of procedure with clear division of work among the committees to provide scientific and professional opinions for the board's decision-making and to ensure effective supervision of the management by the board.

4. Supervisor and Board of Supervisors

The 8th session of the Supervisory Board of the Company has three supervisors, including one employee representative supervisor. The selection procedures, number and composition of the Supervisory Board are in compliance with the relevant laws and regulations. The company's supervisors attend the supervisory meetings as required, perform their duties conscientiously, supervise and express opinions on material matters, affiliated transactions and financial position of the company, and safeguard the legitimate rights and interests of the company and its shareholders. During the reporting period, the company held a total of eight meetings of the Supervisory Board, the convening and holding procedures of the meetings, the qualification of the persons attending the meetings, the voting procedures of the meetings, the voting results and the content of the resolutions

were in compliance with the laws and regulations, the Articles of Association and the Rules of Procedure of the Supervisory Board of the company.

5. Controlling Shareholders and Listed Companies

Shareholders of the company shall abide by the Code of Corporate Governance for Listed Companies, Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 - Standard operation of listed companies on the main board and articles of incorporation to regulate their own behaviors. the company maintains independence from the controlling shareholder and the actual controller in terms of personnel, assets, finance, institutions and business, and the Board of Directors, Supervisory Board and other internal bodies of the company operate independently, and the company has independent and complete independent operation.

6. On performance Evaluation and Incentive and Restraint Mechanism

The company is committed to establishing and improving fair and transparent performance evaluation standards and incentive and restraint mechanisms for directors, supervisors and managers. The remuneration packages of the company's senior executives are proposed by the Remuneration and Evaluation Committee of the Board of Directors and considered and decided by the Board of Directors. The appointment of senior executives is open, transparent and in compliance with the laws and regulations.

7. Stakeholders, Environment Protection and Company Social Responsibility

The company fully respects and safeguards the legitimate rights and interests of stakeholders (creditors, employees, customers, suppliers, communities, etc.), attaches importance to the company's social responsibilities, strives to achieve a coordinated balance between the interests of shareholders, employees, society and other parties, and actively cooperates to jointly promote the sustainable and healthy development of the company.

In addition, the company actively fulfills its social responsibilities, takes its own business field as a key area of public welfare support, and gives back to the society in terms of education support, environmental protection, cultural promotion, and social care. Actively advocate and personally participate in public welfare and charity, with practical moves such as thorough promotion of waterproof knowledge in communities, public welfare projects regarding maintenance of housing leakage and relevant activities, the company makes every effort to contribute to the construction of a harmonious living environment.

8. Information Disclosure and Transparency

After the listing of the company, in accordance with the relevant regulations issued by CSRC and Shenzhen Stock Exchange, the company has formulated and improved the *Information Disclosure*

Management System, Annual Report Information Disclosure Liability Investigation System, Investor Relations Management Measures, Internal Reporting System for Material Information, Management System for External Information Users, Annual Financial Report Audit Procedures of the Audit Committee of the Board of Directors, Independent Directors Annual Work Report System, and Insider Information Management Systems. The company has designated the Secretary of the Board of Directors to be responsible for information disclosure, standardized the internal procedures for the transmission of material information, made clear provisions on the accountability for material errors in the disclosure of annual reports, and effectively fulfilled its information disclosure obligations. The company has designated *China Securities Journal, Securities Times* and Juchao Information website as the designated information disclosure media to make true, accurate, complete, timely and fair disclosure of its information to ensure that all shareholders have fair access to the relevant information of the company. In the meantime, the company attaches great importance to the management of investors relations, and has enhanced effective communication with the investors by giving performance presentations through online seminars, hosting investor open days, interactive Q&As, and opening investor hotlines. By conscientiously listening to the opinions and suggestions of the investors, the company achieved a benign interaction with the investors. By increasing the transparency of management, the company practically protected the benefit of the investors.

In summary, the actual situation of corporate governance does not differ from the requirements of the *Company Law* and the relevant regulations of the CSRC. The company will continue to strengthen corporate governance, establish a long-term mechanism for corporate governance, better improve the construction of the internal control system, strengthen the implementation, and lay a solid foundation for the company's sustainable, healthy and steady development.

Whether there are material differences between the actual state of corporate governance and the normative documents issued by the CSRC on the governance of listed companies

Yes No

The actual status of corporate governance does not differ materially from the normative documents issued by the CSRC on the governance of listed companies.

II. Independence of the Company in Relation to Controlling Shareholders in Terms of Business, Personnel, Assets, Organization and Finance

The controlling shareholder of the company is a natural person. The company maintains independence from the controlling shareholder and the beneficial owner in terms of personnel, assets, finance, institutions and business, and has independent and complete business and

independent operation capability.

1. Property

The company has independent and complete assets, production systems, auxiliary production systems and supporting facilities, and legally owns and has the right to use plants, land, equipment, as well as trademarks, non-patented technologies and other assets related to production and operation. The company has complete and legal property ownership and actual possession of its assets. There are no legal disputes or potential disputes. The company has not provided guarantees for shareholders, the beneficial owner and other enterprises controlled by them with its own assets, interests or reputation. There are no assets or funds being illegally occupied by shareholders, the beneficial owner and other enterprises controlled by them to the detriment of the company's interests.

2. Personnel

The company has established an independent and complete system for employment, appointment and dismissal, file and salary management. It also signed labor contracts with all employees, which are completely independent from the controlling shareholder in terms of labor, personnel and salary. The senior executives such as company president, vice president, head of finance, secretary of the Board of Directors are all remunerated by the company and do not hold any positions as controlling shareholders and affiliated companies.

The directors, supervisors and senior executives are elected by the general meeting of shareholders and the Board of Directors through legal procedures in strict accordance with the provisions of the *Company Law* and the *Articles of Association* of the company. The senior executives are appointed by the Board of Directors, and there is no case of controlling shareholders interfering with the decisions of the general meeting of shareholders and the Board of Directors regarding the appointment and removal of personnel.

3. Finance

The company has an independent financial accounting department with full-time financial personnel, and the company has a complete and independent financial accounting system. It has a separate bank account and an independent bank account number, and there is no sharing of bank accounts with the controlling shareholder. The company pays taxes independently in accordance with the law, and the tax rates are determined based on the provisions of the laws and regulations on taxation and the relevant preferential policies approved by the country. There are no cases of controlling shareholders interfering with financial decisions, appropriating the company's funds and interfering with the use of the company's funds, and there are no guarantees provided for

shareholders' units and their related parties.

4. Institutions

The company has independent production and operation and offices, and there is no mixed operation or co-location with the controlling shareholder and other related parties. The company has established an effective and sound corporate governance structure and organizational structure in accordance with the law, and there is no institutional mix-up with the controlling shareholder and other enterprises under its control, nor is there any interference by controlling shareholders and other enterprises under its control in the establishment of the company's institutions, and it has an independent and sound management structure and business operation system.

5. Business

The company is currently a system service provider of construction and building materials with the waterproof business as the core, and other diversified businesses as extension such as civil construction materials, mortar powder, building coatings, energy conservation and insulation materials, adhesives, pipe industry, construction restoration, nonwovens, specialty films, lotion. The company has independent and complete systems for operation and sales, technology R&D, financial accounting, labor and personnel, procurement of raw materials, production and construction, engineering management, and quality and safety management. It also has independent production and operation sites and a complete system for production, supply and marketing, being market-oriented and capable of operating independently.

The company does not rely on controlling shareholders or any other related parties for its business, and there is no competition or unfair affiliated transactions with controlling shareholders, the de facto controller and other enterprises under their control, nor does controlling shareholders use its controlling position to directly or indirectly interfere with the decision-making and production and operation of the company.

III. Competition in the same industry

Applicable Not applicable

IV. Annual general meeting and extraordinary general meeting held during the reporting period

1. Annual general meeting of shareholders in the reporting period

Meetings	Category	Investors' Participation Ratio	Meeting Date	Revealed Date	Resolution
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Annual Shareholders Meeting 2022	Annual Shareholders Meeting	41.26%	May 5th, 2023	May 6th, 2023	<i>Considered and approved: 1. 2022 Work Report of the Board of Directors; 2. 2022 Work Report of the Board of Supervisors; ; 3. 2022 Financial Results Report; 4. 2023 Financial Budget Report; 5. 2022 Profit Distribution Plan; 6. 2022 Full Annual Report and its Summary; 7. Proposal on Renewing the Appointment of Grant Thornton as the Company's Auditor in 2023; 8. Proposal on the Remuneration of Directors in 2022; 9. Proposal on the Remuneration of Supervisors in 2022; 10. Proposal on Applying for Comprehensive Credit Lines from</i>
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					<p><i>Banks and Other Financial Institutions; 11. Proposal on Providing Guarantee for Subsidiaries to Apply for Comprehensive Credit Extension from Banks and other Financial Institutions; 12. Proposal on External Guarantees; 13. Proposal on Providing Guarantee for the Wholly-owned Subsidiary; 14. Proposal on Changing Registered Capital; 15. Proposal on Amending the Articles of Association; 16. Proposal on Taking out Liability Insurance for Directors, Supervisors and Senior Management. 17. Proposal on Changing the Use</i></p>
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					<i>of Part of the Raised Funds and Permanently Supplementing Working Capital.</i>
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1st Extraordinary Shareholders' Meeting 2023	Extraordinary Shareholders' Meeting	41.03%	July 5th, 2023	July 6th, 2023	Considered and approved: 1. <i>Proposal on Issuing Asset Backed Notes for Accounts Receivable in 2023</i> ; 2. <i>Proposal on the Proposed Registration and Issuance of Asset Backed Securities.</i>
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2nd Extraordinary Shareholders' Meeting 2023	Extraordinary Shareholders' Meeting	40.29%	September 25th, 2023	September 26th, 2023	Considered and approved: 1. <i>Restricted Stock Incentive Plan (Draft Revised) of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. 2023 and its Summary</i> ; 2. <i>Revised Management Measures for the Implementation and Assessment of the 2023 Restricted Stock Incentive Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.</i> ; 3. <i>Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to the Company's 2023 Restricted Stock Incentive Plan</i> ; 4. <i>Restricted Stock Incentive Plan (Draft Second Revision) of</i>
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					<p><i>Beijing Oriental Yuhong Waterproof Technology Co., Ltd. Third and its Summary; 5. Implementation and Assessment Management Measures for the Third Restricted Stock Incentive Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (Second Revised Draft); 6. Proposal on Increasing the Registered Capital of the Company;</i></p> <p><i>7. Proposal on Changing the Company's Business Scope and Amending the Articles of Association.</i></p>
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2. Preferred shareholders whose voting rights have been restored request an extraordinary shareholders' meeting

Applicable Not applicable

V. About Directors, Supervisors and Senior Managers

1. Basic Information

Name	Title	Working status	Gender	Age	Starting Date of Tenure	Ending Date of Tenure	Starting number of shares held in this period	Shares added in this period	Shares reduced in this period	Other changes of shares	Ending number of shares held in this period	Reasons for increases or decreases in shares
Li Weiguo	Male	Employed	Director, Chairman of the Board	59	October 12th, 2006	September 15th, 2025	571,332,887	0	0	0	571,332,887	-
Xu Limin	Male	Employed	Director, Vice Chairman of the Board	58	October 12th, 2006	September 15th, 2025	72,269,250	0	0	0	72,269,250	-
Xiang Jinming	Male	Employed	Director	60	October 12th, 2006	September 15th, 2025	22,169,323	0	0	0	22,169,323	-
Zhang Zhiping	Female	Employed	Director	53	May 26th, 2016	September 15th, 2025	986,963	0	0	0	986,963	-



Zhang Zhiping	Female	Employed	President	53	January 11th, 2019	September 15th, 2025	0	0	0	0	0	-
Zhang Ying	Female	Employed	Director	53	June 18th, 2010	September 15th, 2025	1,087,725	0	0	0	1,087,725	-
Zhang Ying	Female	Employed	Vice President	53	July 30th, 2019	September 15th, 2025	0	0	0	0	0	-
Zhang Hongtao	Male	Employed	Director	47	May 26th, 2016	September 15th, 2025	808,589	0	201,000	0	607,589	Reduce holding share via block trading
Zhang Hongtao	Male	Employed	Vice President	47	October 23rd, 2009	September 15th, 2025	0	0	0	0	0	-
Yang Haocheng	Male	Employed	Director	51	May 26th, 2016	September 15th, 2025	1,302,788	0	0	0	1,302,788	-
Wang Xiaoxia	Female	Employed	Director	48	July 29th, 2019	September 15th, 2025	270,622	0	0	0	270,622	-
Wang Xiaoxia	Female	Employed	Vice President	48	July 30th, 2019	September 15th, 2025	0	0	0	0	0	-



Cai Shaoyun	Female	Employed	Independent Director	59	September 14th, 2020	September 15th, 2025	0	0	0	0	0	-
Huang Qinglin	Male	Employed	Independent Director	58	July 29th, 2019	September 15th, 2025	0	0	0	0	0	-
Chen Guangjin	Male	Employed	Independent Director	59	July 29th, 2019	September 15th, 2025	0	0	0	0	0	-
Zhu Dongqing	Male	Employed	Independent Director	69	September 16th, 2022	September 15th, 2025	132,304	0	0	0	132,304	-
Wang Jin	Female	Employed	Supervisor	38	July 29th, 2019	September 15th, 2025	1,000	0	0	0	1,000	-
Wang Jin	Female	Employed	Chairman of the Supervisory Board	38	September 16th, 2022	September 15th, 2025	0	0	0	0	0	-
Zou Menglan	Female	Employed	Supervisor	29	July 29th, 2019	September 15th, 2025	0	0	0	0	0	-
Yan Jialei	Female	Employed	Employee Supervisor	40	July 29th, 2022	September 15th, 2025	300	0	0	0	300	-

Wang Wenping	Female	Employed	Vice President	51	March 13th, 2013	September 15th, 2025	837,483	0	0	0	837,483	-
Xu Wei	Female	Employed	CFO	44	September 25th, 2015	September 15th, 2025	842,644	0	0	0	842,644	-
Zhang Bei	Female	Employed	Vice President, Secretary of the Board	44	January 11th, 2019	September 15th, 2025	237,500	0	0	0	237,500	-
Total	--	--	--	--	--	--	672,279,378	0	201,000	0	672,078,378	--

During the reporting period, is there any resignation of directors and supervisors and dismissal of senior management during their term of office?

Yes No

Personnel Change: Directors, Supervisors, Senior Executives

Applicable Not Applicable

2. Profile and Working Experience

This part is about the educational background, major working experience, and major duties of present directors, supervisors, and senior executives:

(1) Director's Profile and Working Experience

The 8th Board of Directors sets 12 directors. They are Li Weiguo, Xu Limin, Xiang Jinming, Zhang Zhiping, Zhang Ying, Zhang Hongtao, Yang Haocheng, Wang Xiaoxia, Cai Zhaojun, Chen Guangjin, Huang Qinglin, Zhu Dongqing, thereinto Cai Zhaojun, Chen Guangjin, Huang Qinglin, and Zhu Dongqing are independent directors.

(2) Directors' Profile:

Mr. Li Weiguo, a Chinese national born in 1965, graduated from Hunan Agricultural University with a Bachelor's Degree. He has no permanent residence status outside China's mainland. He

joined Changsha County Vocational and Technical School in 1989 and Hunan University of Economics and Management in 1992 as a teacher. From 1993 to 1995, he worked for the Bureau of Statistics of Hunan Province. In 1995, he founded the Changsha Changhong Building Waterproof Engineering Co., Ltd. Li has been Oriental Yuhong's chairman of the board and the main founder of the company since 1998. He holds a concurrent post of the chairman of the board in Beijing GeoEnviron Engineering and Technology Inc., the executive director of Shenzhen Keir Hanxiang Industrial Co., Ltd., and the executive director and manager of Beijing Changyang Jingyuan Technology Co., Ltd. In July 2003, he was honored as one of Beijing's Top Ten Entrepreneurs, Beijing Model Worker in 2005, Top Ten Most Influential People of Zhongguancun in 2012, one of the Most Respected Entrepreneurs in November 2017. He was also on the list of the 2019, 2020 Top 100 CEO of China and was named Ernst & Young's World Entrepreneur of the Year in 2023. He is now the president of China National Building Waterproof Association and a vice president of the China Building Materials Federation.

Mr. Xu Limin, a Chinese national born in 1966. He graduated from Peking University with a Bachelor's Degree. He has no permanent residence status outside China's mainland. Xu, one of the main founders of Oriental Yuhong, has successively served as the deputy general manager, executive vice general manager and vice-chairman of the board in Oriental Yuhong. He is now the vice-chairman of the Board of Directors. Xu was a director of Beijing GeoEnviron Engineering and Technology Inc. from 2002 to 2009 and has been an executive director of Costar Culture & Media Co., Ltd. since 2011.

Mr. Xiang Jinming, a Chinese national born in 1964. He graduated from Chongqing University with a Bachelor's Degree. He has no permanent residence status outside China's mainland. Xiang, from 1988 to 1998, worked in Hunan Pharmaceutical Factory serving as a secretary of the Personnel Department, deputy director of the Business Administration Department, deputy general manager of the Supply and Marketing Company and the manager of the Import and Export Department. He was once honored with the title of "Excellent Manager of Self-operated Import and Export Enterprise in Changsha". From 1998 to 2001, Xiang served as the general manager of Hunan Oriental Yuhong Anti-corrosion, Insulation, and Waterproof Engineering Co., Ltd. In 2001, Xiang joined the Oriental Yuhong Waterproof Technology Co., Ltd. as the executive deputy general manager, managing director, and director successively. He is now one of the directors of the company, also serving as the president of the company's Overseas Strategic Development Group

Mrs. Zhang Zhiping, a Chinese national born in 1971, is a university graduate. She has no permanent residence outside China's mainland. From 1992 to 2001, she served successively as a

member and secretary of the CPC Youth League Committee of Beijing Aokelan Waterproof Engineering Co., Ltd. From 2001 to 2006, Zhang served successively as the sales manager and the head of the Technology Promotion Department of Beijing Carlisle Waterproofing Materials Co., Ltd. She joined Oriental Yuhong in August 2006 and successively served as the regional manager of the Distributor Management Department, department manager and vice president. Zhang is now the president and one of the directors of the company and serves concurrently as the president of Oriental Yuhong Civil Building Materials Group as well as the marketing director and director of the Marketing Technology Committee of the company.

Mrs. Zhang Ying, a Chinese national born in 1971, holds a Bachelor's Degree in Engineering from East China University of Science and Technology and a Master's Degree in Finance from Renmin University of China. She is a Certified Public Accountant, a Certified Asset Valuer, and a Certified Tax Agent in China. She has no permanent residence status outside China's mainland. From 1993 to 2008, she worked in Jingdu Tianhua Certified Public Accountants (now renamed as Grant Thornton Certified Public Accountants), successively serving as the project manager and department manager. From 2008 to 2009 she served as the audit manager of Reanda Certified Public Accountants LLP. Zhang joined Oriental Yuhong as CFO, director, and executive vice president. She is now the director and vice president of the company and a supervisor of Beijing Zhongguancun Bank Co., Ltd.

Mr. Zhang Hongtao, a Chinese national born in 1977, graduated with a Master's Degree from Tianjin University. He has no permanent residence status outside China's mainland. From 1998 to 2004, He worked in the Capital Branch of Tangshan Ceramic Group Co., Ltd. He joined Oriental Yuhong in August 2004, successively serving as the deputy manager of the Finance Department, the manager of the Securities Department with a concurrent post of the representative of securities affairs, and the secretary of the board. Zhang is now the vice president and a director of Oriental Yuhong. He is also the Executive Director of Northern District of Engineering and Building Materials Group as well as the chairman of the board in Hongsheng New Energy Co., Ltd.

Mr. Yang Haocheng, a Chinese national born in 1973, graduated from Hunan University, majoring in civil engineering and construction. He has no permanent residence status outside China's mainland. He joined Oriental Yuhong in 1998, successively serving as the manager and deputy general manager of the Engineering Department. Yang is also in charge of Oriental Yuhong's Regional Integration Company in Southern China and serves as the president of the Manufacturing Group of the company.

Mrs. Wang Xiaoxia, a Chinese national born in 1976, graduated from Nanjing University with a

Bachelor's Degree in Law. She has no permanent residence status outside China's mainland. From 2007 to 2009, she worked as a lawyer at Beijing Jingkai Law Firm. She joined Oriental Yuhong in March 2009, successively serving as the manager of the Risk Supervision Department, executive deputy director of the Legal Affairs Center. Wang is now the director and vice president of the company and concurrently serves as the director of Risk Management Center and as well as the president of Construction Materials Group of the company.

Mrs. Cai Zhaoyun, a Chinese national born in 1965, graduated from Xi 'an University of Architecture and Technology with a Bachelor's Degree in Engineering. She is a professor-level senior engineer and a national first-class registered architect. She has no permanent residence outside China's mainland. Cai was an assistant engineer of the Central Research Institute of Building and Construction from 1988 to 1994; an engineer and a senior engineer of China Jingye Engineering Co., Ltd. from 1994 to 2001; a chief architect of Beijing Jingye Architectural Design Institute from 2001 to 2004; the deputy chief architect of the Design Institute of China Jingye Engineering Co., Ltd. Now Cai is the chief architect in the Design Institute of China Jingye Engineering Co., Ltd.; the deputy chief engineer of the Central Research Institute of Building and Construction; a member of the Expert Committee of the National Engineering Construction Standardization and Design; the deputy secretary-general of the Technical Committee on Architectural Design of Standardization Administration of the Ministry of Housing and Urban-Rural Development; the secretary-general of the technological branch and the deputy director of the Metal Roofing Expert Committee of China Association of Building Waterproof; the executive councilor of the Industrial Building Branch of the Architectural Society of China; a member of the Registered Architects Branch of Architectural Society of China; the guest executive director and a member of the expert committee of the China Steel Construction Society; a standing member of the Standardization Working Committee of the China Engineering and Consulting Association, an Independent Director of Jiangsu Canlon Building Materials Co., Ltd and Duwei Union Group Co., Ltd.

Mr. Huang Qinglin, a Chinese national born in 1966, graduated from Victoria University Switzerland with a master degree in in Business Administration. He is a Senior Economist, Certified Practising Accountant, Certified Public Valuer, Certified Enterprise Risk Manager and international accountant. He has no permanent residence status outside China's mainland. He served as the chief clerk and deputy director of the Audit Department of Hunan Province from 1992 to 2000; director, chief auditor, general manager, and chief accountant of Huayin Certified Public Accountants Co., Ltd. from 2000 to 2011; executive partner and president of Huayin Wuzhou

Certified Public Accountants (Special Ordinary Partnership) from 2012 to 2013; Now Huang is the executive partner and chief partner of CAC CPA Limited Liability Partnership. He also also serves as the outside director of State-owned Assets Supervision and Administration Commission of the State Council of PRC, director of The Chinese Institute of Certified Public Accountants(CICPA) and Beijing Institute of Certified Public Accountants, and independent director of Beijing AVIC Technology Co., Ltd.

Mr. Chen Guangjin, a Chinese national born in 1965, graduated from Tianjin University with a Doctoral Degree in Chemical Engineering. He has no permanent residence status outside China's mainland. From 1995 to 1999, Chen served as associate professor and Master's supervisor in China University of Petroleum - Beijing. He has been a professor and doctoral supervisor of China University of Petroleum - Beijing since 2000.

Mr. Zhu Dongqing, born in 1955, professor-level senior engineer, postgraduate, Chinese nationality, without permanent overseas residence. From 1982 to 2015, he served successively as assistant engineer, director, assistant to the general manager, deputy general manager and general manager of China Construction Waterproof Material Company (renamed as China Chemical Building Materials Company and China National Building Material Waterproof Material Company); since 1998, he successively served as China Construction Waterproof Material Company Vice Chairman, Executive Vice Chairman, Secretary-General, and Chairman of the Association; Director of China Fiberglass Co., Ltd. from 1999 to 2002; Member of the Expert Committee of the Ministry of Housing and Urban-Rural Development, director of the editorial board of "China Building Waterproof" magazine, national Director of the Building Waterproof Materials Sub-Bidding Committee, an international member of the American Roofing Association; served as an independent director of Shenzhen Zhuobao Technology Co., Ltd., an independent director of Jiangsu Kailun Building Materials Co., Ltd., an independent director of Beijing Oriental Yuhong Waterproof Technology Co., Ltd., Independent director of Keshun Waterproof Technology Co., Ltd.; current Secretary-General of China Building Waterproof Association and concurrently independent director of Jiangsu Canlun Building Materials Co., Ltd.

2. Supervisors' Profile and Working Experience

The 8th Board of Supervisors sets three supervisors. They are Wang Jing、 Zou Menglan and Yan Jialei, while Yan Jialei is the employee supervisor. Their profile and working experience:

Mrs. Wang Jing, a Chinese national born in 1986, holds a Master's Degree. She has no permanent residence status outside China's mainland. She joined Oriental Yuhong in 2014 as the director of securities affairs of the Securities Department and now serves as the manager of the Securities

Department.

Mrs. Zou Menglan, a Chinese national born in 1995, holds a Master's Degree. She has no permanent residence status outside China's mainland. She joined Oriental Yuhong in 2017 as the cashier of securities affairs of the Securities Department and now serves as the Director of Finance and Financing of Financial Management Center.

Mrs. Yan Jialei, a Chinese national born in 1984, holds a Master's Degree. She has no permanent residence status outside China's mainland. She joined Oriental Yuhong in 2013 as the cashier of securities affairs of the Securities Department and now serves as the assets manager of the Securities Department.

3. Senior Executives' Profile and Working Experience

For Mrs. Zhang Zhiping, please refer to the section "Director's Profile and Working Experience".

For Mrs. Zhang Ying, please refer to the section "Director's Profile and Working Experience".

For Mr. Zhang Hongtao, please refer to the section "Director's Profile and Working Experience".

For Mrs. Wang Xiaoxia, please refer to the section "Director's Profile and Working Experience".

Mrs. Wang Wenping, a Chinese national born in 1973, graduated from Tsinghua University with a Master's Degree. She has no permanent residence status outside China's mainland. She once worked in Shandong Triangle Group as a technician, and in the sector of the CPC branch management, marketing management. She was the deputy manager of the Distribution Department, manager of the International Trade Department, marketing manager, assistant general manager, marketing director, human resources director, information director. She is now the vice president of Oriental Yuhong and the Chairman of the Mortar and Powder Group of the company and the general manager of the Overseas Business of Powder Group of the company. Mrs. Xu Wei, a Chinese national born in 1980, holds a Bachelor's Degree. She has no permanent residence status outside China's mainland. She used to serve as the manager of the Financial Department, assistant financial director and deputy financial director of Oriental Yuhong, and now serves as the company's CFO.

Mrs. Zhang Bei, a Chinese national born in 1980, holds a Master's Degree. She has no permanent residence status outside China's mainland. She used to serve as the manager of Securities Department at Beijing Unistrong Science & Technology Co., Ltd., manager of the Securities Department at Beijing Asia Pacific Anxun Technology Co., Ltd., assistant president of Boshen Medical Investment Co., Ltd., securities manager, vice president and secretary of the Board of Directors of Beijing Oriental Yuhong Waterproof Technology Co., Ltd., and secretary of the Board of Directors of Gravity Media Co., Ltd. She currently serves as Oriental Yuhong's vice president and secretary of the Board of Directors



Posts in Shareholding Companies

□ Applicable √ Not Applicable

Concurrent Posts in Other Companies

√ Applicable □ Not Applicable

Name	Other In-service Company's Name	Other In-service Company's Title	Starting Date of Tenure	Ending Date of Tenure	With or Without Salary
Li Weiguo	Beijing GeoEnviron Engineering & Technology, Inc.	Chairman of the Board	December 1, 2012	January 17, 2025	Yes
Li Weiguo	Shenzhen Keir Hanxiang Industrial Co., Ltd.	Executive Director	September 27, 2016		No
Li Weiguo	Beijing Changyang Jingyuan Technology Co., Ltd.	Executive Director, Manager	April 10, 2017		No
Li Weiguo	China National Building Waterproof Association	President	December 14, 2015	December 6, 2025	No
Li Weiguo	China National Building Waterproof Association	Vice President	October 23, 2020	October 22, 2025	No
Xu Limin	Costar Culture & Media Co., Ltd.	Executive Director	July 19, 2011		No
Zhang Ying	Beijing Zhongguancun Bank Co., Ltd.	Supervisor	May 10, 2017	October 31, 2026	No



Cai Zhaoyun	Central Research Institute of Building and Construction Co.,Ltd MCC Group	Chief Expert	December 1, 2018	December 31, 2024	Yes
Cai Zhaoyun	Expert Committee of the National Engineering Construction Standardization and Design	Member of the Committee	March 1, 2011		No
Cai Zhaoyun	Expert Committee of China Construction Metal Structure Association	Member of the Experts' Committee	December 6, 2012		No
Cai Zhaoyun	Expert Committee of ChinaBuilding Waterproofing Association	Deputy Director of the Experts' Committee	May 30, 2018	September 30, 2026	No
Cai Zhaoyun	Industrial Building Branch of the Architectural Society of China	Executive Director	August 1, 2013		No
Cai Zhaoyun	China Steel Construction Society	Guest Executive Director	October 1, 2019	December 31, 2024	No



Cai Zhaoyun	Jiangsu Canlon Construction Material Limited Liability Company	Independent Director	December 28, 2023	December 27, 2026	Yes
Cai Zhaoyun	Duowei Joint Group Liability Company	Independent Director	January 24,2024	January 23,2027	Yes
Huang Qinglin	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality	Executive Partner	November 1, 2013		Yes
Huang Qinglin	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality	Lead Partner	December 9, 2021		Yes
Huang Qinglin	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality	External Director	March 1, 2015		Yes

Huang Qinglin	Beijing Institute of Certified Public Accountants	Director	July 30, 2011		No
Huang Qinglin	Beijing Zhonghang Kedian Measurement & Control Technology Co., Ltd.	Independent Director	January 22, 2022		Yes
Huang Qinglin	Beijing Institute of Certified Public Accountants	Director	December 5, 2023		No
Zhu Dongqing	China Waterproof Association	Director of the Committee	December 7, 2015		Yes
Zhu Dongqing	Jiangsu Canlon Construction Material Limited Liability Company	Independent Director	August 3, 2020	December 7, 2026	Yes
Description of employment in other units	N/A				

Punishment in the past three years by securities regulators to the current and outgoing directors during the reporting period, supervisors, and senior managers of Oriental Yuhong

Applicable Not Applicable

3. Personnel Remuneration of Directors, Supervisors and Senior Executives

The decision-making process, basis of determination and actual remuneration of the payment of directors, supervisors and senior executives

Decision-making process: The Remuneration and Evaluation Committee of the Board of Directors studies and formulates the remuneration policies and plans for the directors, supervisors and senior

executives of the company. The remuneration of directors and supervisors shall be implemented after consideration and approval by the general meeting of shareholders; the remuneration of senior executives shall be implemented after consideration and approval by the Board of Directors.

Basis of determination: The remuneration of directors and supervisors is determined in accordance with the standard of their positions in the company; the allowance of independent directors is RMB100,000/year before tax, which is paid annually in cash as a lump sum, and the travel expenses and office expenses incurred in the performance of their duties are borne by the company; the remuneration of senior executives is determined comprehensively in accordance with the duties performed by each of them and the year-end appraisal.

Actual payment status: Details of the actual remuneration paid to the directors, supervisors and senior executives during the reporting period are set out in the table below.

Details of the actual remuneration paid to directors, supervisors and senior executives during the reporting period are set out in the table below.

Unit: RMB 10,000

Name	Gender	Age	Title	Employment	Total Payment Before Tax	Whether Paid by Related-parties
Li Weiguo	Male	59	Chairman of the Board	Employed	85	Yes
Xu Limin	Male	58	Vice Chairman of the Board	Employed	54	No
Xiang Jinming	Male	60	Director	Employed	200	No
Zhang Zhiping	Female	53	Director and President	Employed	260	No
Zhang Ying	Female	53	Director and Vice President	Employed	200	No
Zhang Hongtao	Male	47	Director and Vice President	Employed	170	No
Yang Haocheng	Male	51	Director	Employed	200	No



Wang Xiaoxia	Female	48	Director, Vice President	Employed	120	No
Cai Zhaoyun	Female	59	Independent Director	Employed	10	No
Chen Guangjin	Male	59	Independent Director	Employed	10	No
Huang Qinglin	Male	58	Independent Director	Employed	10	No
Zhu Dongqing	Male	69	Independent Director	Employed	10	No
Wang Jing	Female	38	Chairman of the Supervisory Board	Employed	50.88	No
Zou Menglan	Female	29	Supervisor	Employed	27	No
Yan Jialei	Female	40	Employee Supervisor	Employed	22	No
Wang Wenping	Female	51	Vice President	Employed	150	No
Xu Wei	Female	44	Chief Financial Officer	Employed	95	No
Zhang Bei	Female	44	Vice President, Board Secretary	Employed	95	No
In total	--	--	--	--	1,768.88	--

Other information

Applicable Not Applicable

VI. Performance of duties by directors during the reporting period

1. Meetings of the Board of Directors during the reporting period

Meetings	Meeting Date	Revealed Date	Resolution
5th Meeting of the 8th Board of Directors	January 9th, 2023	January 10th, 2023	Considered and approved: 1. <i>Proposal on Temporarily Supplementing Working Capital Using Part of Idle Raised Funds.</i>

<p>6th Meeting of the 8th Board of Directors</p>	<p>April 12th, 2023</p>	<p>April 13th, 2023</p>	<p>Considered and approved: 1. 2022 Work Report of the Board of Directors; 2. 2022 CEO Work Report; 3. 2022 Financial Final Account Report; 4. 2023 Financial Budget Report; 5. 2022 Annual Profit Distribution Plan; 6. 2022 Full Annual Report and Its Summary; 7. Proposal on the Deposit and Use of Raised Funds in 2022; 8. Self-evaluation Report on Internal Control in 2022; 9. Proposal on the Renewal of Grant Thornton's Appointment as the Company's Auditor of 2023. 10. Proposal on Directors' Remuneration for 2022; 11. Proposal on the Remuneration of Senior Management in 2022; 12. Sustainable Development Report 2022; Proposal on Applying for Comprehensive Credit Lines from Banks and Other Financial Institutions; 14. Proposal on Providing Guarantees for Subsidiaries Applying for Comprehensive Credit Lines from Banks and Other Financial Institutions; 15. Proposal on External Guarantees; 16. Proposal on Providing Guarantees for Wholly-</p>
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			<p><i>Owned Subsidiaries;</i></p> <p><i>17. Proposal on Using Temporarily Idle Self-Owned Funds for Cash Management; 18. Proposal on Changing Accounting Policies; 19. Proposal on Changing Registered Capital; 20. Proposal on Amending the Articles of Association; 21. Proposal on Taking out Liability Insurance for Directors, Supervisors and Senior Management; 22. Proposal on Changing the Use of Part of the Raised Funds and Permanently Supplementing Working Capital; 23. Proposal on Carrying out Commodity Futures Hedging Business; 24. Proposal on Formulating the Commodity Futures Management System; 25. Feasibility Analysis Report on Carrying out Commodity Futures Hedging Business; 26. Proposal on Convening the 2022 Annual General Meeting of Shareholders.</i></p>
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<p>7th Meeting of the 8th Board of Directors</p>	<p>April 25th, 2023</p>	<p>April 26th, 2023</p>	<p>Considered and approved: 1. <i>The First Quarter Report 2022</i>; 2. <i>Proposal on the Cancellation of the Restricted Stocks That Have Been Granted to But Not Yet Unlocked for Incentive Objects Who No Longer Meet the Incentive Conditions in the 2022 Restricted Stock Incentive Plan.</i></p>
<p>8th Meeting of the 8th Board of Directors</p>	<p>June 6th, 2023</p>	<p>June 6th, 2023</p>	<p>Considered and approved: 1. <i>The 2023 Restricted Stock Incentive Plan (Draft) of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. and its summary</i>; 2. <i>Measures for the Implementation and Assessment Management of the 2023 Restricted Stock Incentive Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.</i>; 3. <i>Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to the 2023 Restricted Stock Incentive Plan of the Company</i>; 4. <i>Proposal on Adjusting the Exercise Price of the 2021 Stock Option Incentive Plan.</i></p>

9th Meeting of the 8th Board of Directors	June 19th, 2023	June 20th, 2023	Considered and approved: <i>1. Proposal on Issuing Asset Backed Notes for Accounts Receivable for the Year 2023; 2. Proposal on the Proposed Registration and Issuance of Asset Backed Securities; 3. Proposal on Convening the First Extraordinary General Meeting of Shareholders in 2023.</i>
10th Meeting of the 8th Board of Directors	August 9th, 2023	August 10th, 2023	Considered and approved: <i>1. 2023 Semi-annual Report and Summary; 2. Proposal on 2023 Semi-annual Deposit and Use of Raised Funds.</i>

11th Meeting of the 8th Board of Directors	September 9th, 2023	September 9th, 2023	<p>Considered and approved:</p> <ol style="list-style-type: none">1. <i>Beijing Oriental Yuhong Waterproof Technology Co., Ltd. 2023 Restricted Stock Incentive Plan (Revised Draft) and its Summary;</i>2. <i>Revised Management Measures for the Implementation and Assessment of the 2023 Restricted Stock Incentive Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd;</i>3. <i>Beijing Oriental Yuhong Waterproof Technology Co., Ltd. Third Restricted Stock Incentive Plan (Draft Second Revision) and its summary;</i>4. <i>The Implementation and Assessment Management Measures for the Third Restricted Stock Incentive Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (Second Revised Draft);</i>5. <i>Proposal on Increasing the Registered Capital of the Company;</i>6. <i>Proposal on Changing the Business Scope of the Company and Amending the Articles of Association;</i>7. <i>Proposal on Convening the Second Extraordinary General Meeting of Shareholders in 2023.</i>
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12th Meeting of the 8th Board of Directors	October 18th, 2023	October 19th, 2023	Considered and approved: 1. <i>Proposal on Bidding for State owned Land Use Rights and Authorizing Management to Sign Relevant Legal Documents.</i>
13th Meeting of the 8th Board of Directors	October 25th, 2023		Considered and approved: 1. <i>The Third Quarter Report of 2023.</i>
14th Meeting of the 8th Board of Directors	November 13th, 2023	November 14th, 2023	Considered and approved: 1. <i>Proposal on Repurchase of Company Shares.</i>
15th Meeting of the 8th Board of Directors	November 15th, 2023	November 16th, 2023	Considered and approved: 1. <i>Proposal on Transferring Partial Equity of Subsidiary Companies and Signing Equity Transfer Agreements.</i>
15th Meeting of the 8th Board of Directors	November 22th, 2023	November 23th, 2023	Considered and approved: 1. <i>Proposal on Investment and Construction of a New Materials Industrial Park Project in the County of Yongfeng, Ji'an, Jiangxi Province.</i>

17th Meeting of the 8th Board of Directors	December 1st, 2023	December 2nd, 2023	Considered and approved: 1. <i>Proposal on Terminating the Implementation of the 2023 Restricted Stock Incentive Plan</i> ; 2. <i>Proposal on Amending the Articles of Association of the Company</i> ; 3. <i>Proposal on Amending the Rules of Procedure of the General Meeting of Shareholders</i> ; 4. <i>Proposal on Amending the Rules of Procedure of the Board of Directors</i> ; 5. <i>Proposal on Amending the Independent Director System</i> ; 6. <i>Proposal on Amending the Work System for Annual Reports of Independent Directors</i> .
18th Meeting of the 8th Board of Directors	December 28th, 2023	December 29th, 2023	Considered and approved: 1. <i>Proposal on the Estimation of Routine Related Transactions in 2024</i> .

2. Attendance of directors at board meetings and shareholders' meetings

Attendance of Directors at Board of Directors' Meetings and Shareholders' Meetings							
Name of Directors	Number of Board Meetings to be Attended During the Reporting Period	Number of Board Meetings Attended On-site	Number of Board Meetings Attended Online	Number of Board Meetings Attended by Proxy	Number of Board Meeting Absences	Failure to Attend Two Consecutive Board Meetings in Person	Number of Shareholders' Meetings Attended
Li Weiguo	14	12	2	0	0	No	3
Xu Limin	14	14	0	0	0	No	3

Xiang Jinming	14	13	1	0	0	No	3
Zhang Zhiping	14	13	1	0	0	No	3
Zhang Ying	14	14	0	0	0	No	3
Zhang Hongtao	14	14	0	0	0	No	3
Yang Haocheng	14	13	1	0	0	No	0
Wang Xiaoxia	14	14	0	0	0	No	3
Cai Zhaoyun	14	13	1	0	0	No	0
Chen Guangjin	14	12	2	0	0	No	0
Huang Qinglin	14	14	0	0	0	No	1
Zhu Dongqing	14	13	1	0	0	No	1

Explanation of failure to attend two consecutive board meetings in person

Not applicable

3. Dissent by the board on matters relating to the company

Dissent by the board on matters relating to the company

Yes No

The directors did not raise any objection to the relevant matters of the Company during the reporting period.

4. Other explanations on the performance of duties by directors

Whether the recommendations of the directors on the company were adopted

Yes No

Description of the recommendations of the directors on the company that were adopted or not adopted.

During the reporting period, the company directors strictly adhere to the Company Act, " Securities Act, Listing Rules of Shenzhen Stock Exchange, The Articles of Incorporation, Rules of Procedure of Board of Directors and other laws and regulations and the provisions of the regulatory documents. The director is diligent and responsible in his or her duties put forward the precious opinion on the company's daily management decisions according to the actual situation of the company. The directors supervise and promote the implementation of the board of directors' resolutions, promote the standardized operation of the company, improve the level of corporate governance, guarantee the scientific decision-making of the company, so that the company can maintain a high quality and steady development trend. In accordance with relevant regulations, the independent directors of the company conscientiously perform their duties, actively attend relevant meetings, and seriously review various proposals of the board of directors. Independent directors put out fair, unbiased and independent opinions towards matters related to the major issues related to the use of company raised funds, occupation of company funds by controlling shareholders and other related parties, external guarantees, equity distribution, commodity futures hedging business, equity incentives, repurchase of company shares, related party transactions, etc. They provide prior approval opinions on hiring of an auditing firm for the company and convene the meeting of Independent Directors to conduct prior review of Estimation of Routine Related Transactions in 2024, fully leveraging the role of independent directors. They ensure the scientific and efficient decision-making of the board of directors of the company, and protects the legitimate rights and interests of the company and all shareholders, especially minority shareholders.

VII. Performance of duties of special committees under the Board of Directors during the reporting period

Committee Name	Members	Sessions	Date	Content	Important Comments and Suggestions Proposed	Other Performance of Duties	Objection Details (if any)
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<p>Strategy Committee</p>	<p>Li Weiguo, Zhu Dongqing, Xu Limin</p>	<p>4</p>	<p>April 1st, 2023</p>	<p>Considered and approved: 1. <i>Proposal on Carrying out Commodity Futures Hedging Business</i>; 2. <i>Proposal on Formulating the Commodity Futures Management System</i>; 3. <i>Feasibility Analysis Report on Carrying out Commodity Futures Hedging Business</i>.</p>	<p>The Strategy Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law</i>, <i>Securities Law</i> and the <i>Articles of Association and Rules of Procedures of the Board of Directors</i>. The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.</p>	<p>N/A</p>	<p>N/A</p>
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Strategy Committee	Li Weiguo, Zhu Dongqing, Xu Limin	4	October 16 th , 2023	Considered and approved: 1. <i>Proposal on Bidding for State owned Land Use Rights and Authorizing Management to Sign Relevant Legal Documents.</i>	The Strategy Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law</i> and the <i>Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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Strategy Committee	Li Weiguo, Zhu Dongqing, Xu Limin	4	November 8 th , 2023	Considered and approved: 1. <i>Proposal on Transferring Partial Equity of Subsidiary Companies and Signing Equity Transfer Agreements.</i>	The Strategy Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law and the Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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Strategy Committee	Li Weiguo, Zhu Dongqing, Xu Limin	4	November 15 th , 2023	Considered and approved: 1. <i>Proposal on Investment and Construction of a New Materials Industrial Park Project in the County of Yongfeng, Ji'an, Jiangxi Province.</i>	The Strategy Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law</i> and the <i>Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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Remuneration and Appraisal Committee	Huang Qinglin, Chen Guangjin, Li Weiguo	5	April 1 st , 2023	Considered and approved: 1. <i>Proposal on Directors' Remuneration for 2022</i> ; 2. <i>Proposal on the Remuneration of Senior Management in 2022</i> ; 3. <i>Proposal on Taking out Liability Insurance for Directors, Supervisors and Senior Management</i> .	The Remuneration and Appraisal Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law</i> , <i>Securities Law</i> and the <i>Articles of Association and Rules of Procedures of the Board of Directors</i> . The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after	N/A	N/A
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<p>Remuneration and Appraisal Committee</p>	<p>Huang Qinglin, Chen Guangjin, Li Weiguo</p>	<p>5</p>	<p>April 18th, 2023</p>	<p>Considered and approved: 1. <i>Proposal on Canceling Part of the 2021 Stock Option Incentive Plan for Incentive Objects that No longer meet the Exercise Conditions and have been granted but not yet exercised stock options.</i></p>	<p>The Remuneration and Appraisal Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law and the Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after</p>	<p>N/A</p>	<p>N/A</p>
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Remuneration and Appraisal Committee	Huang Qinglin, Chen Guangjin, Li Weiguo	5	May 30 th , 2023	Considered and approved: 1. <i>The 2023 Restricted Stock Incentive Plan (Draft) of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. and its Summary</i> ; 2. <i>Measures for the Implementation and Assessment Management of the 2023 Restricted Stock Incentive Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.</i> ; 3. <i>Proposal on Adjusting the Exercise Price of the 2021 Stock Option</i>	The Remuneration and Appraisal Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law and the Articles of Association and Rules of Procedures of the Board of Directors</i> . The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after	N/A	N/A
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				<i>Incentive Plan.</i>	thorough discussion.		
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Remuneration and Appraisal Committee	Huang Qinglin, Chen Guangjin, Li Weiguo	5	September 1 st , 2023	Considered and approved: 1. <i>Beijing Oriental Yuhong Waterproof Technology Co., Ltd. 2023 Restricted Stock Incentive Plan (Revised Draft) and its Summary</i> ; 2. <i>Revised Management Measures for the Implementation and Assessment of the 2023 Restricted Stock Incentive Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd</i> ; 3. <i>Beijing Oriental Yuhong</i>	The Remuneration and Appraisal Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law and the Articles of Association and Rules of Procedures of the Board of Directors</i> . The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after	N/A	N/A
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				<p><i>Waterproof Technology Co., Ltd. Third Restricted Stock Incentive Plan (Draft Second Revision) and its summary; 4. The Implementation and Assessment Management Measures for the Third Restricted Stock Incentive Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (Second Revised Draft).</i></p>	<p>thorough discussion.</p>		
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Remuneration and Appraisal Committee	Huang Qinglin, Chen Guangjin, Li Weiguo	5	November 24 th , 2023	Considered and approved: 1. <i>Proposal on Terminating the Implementation of the 2023 Restricted Stock Incentive Plan.</i>	The Remuneration and Appraisal Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law and the Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after	N/A	N/A
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Audit Committee	Huang Qinglin, Cai Zhaoyun, Xu Limin	8	January 6 th , 2023	Considered and approved: 1. <i>Proposal on Temporary Supplementing Working Capital Using Part of Idle Raised Funds.</i>	The Audit Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law and the Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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<p>Audit Committee</p>	<p>Huang Qinglin, Cai Zhaoyun, Xu Limin</p>	<p>8</p>	<p>April 1st, 2023</p>	<p>Considered and approved: 1. <i>2022 Financial Final Account Report</i>; 2. <i>2023 Financial Budget Report</i>; 3. <i>2022 Annual Profit Distribution Plan</i>; 4. <i>2022 Full Annual Report and Its Summary</i>; 5. <i>Proposal on the Deposit and Use of Raised Funds in 2022</i>; 6. <i>Self-evaluation Report on Internal Control in 2022</i>; 7. <i>Proposal on the Renewal of Grant</i></p>	<p>The Audit Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law</i> and the <i>Articles of Association and Rules of Procedures of the Board of Directors</i>. The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.</p>	<p>N/A</p>	<p>N/A</p>
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				<p><i>Thornton's Appointment as the Company's Auditor of 2023.</i></p> <p><i>8.Proposal on Changing Accounting Policies; 9. Proposal on Changing the Use of Part of the Raised Funds and Permanently Supplementing Working Capital.</i></p>			
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Audit Committee	Huang Qinglin, Cai Zhaoyun, Xu Limin	8	April 18 th , 2023	Considered and approved: 1. <i>The First Quarter Report of 2023.</i>	The Audit Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law</i> and the <i>Articles of Association</i> and <i>Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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Audit Committee	Huang Qinglin, Cai Zhaoyun, Xu Limin	8	June 12 th , 2023	Considered and approved: 1. <i>Proposal on Issuing Asset Backed Notes for Accounts Receivable in 2023</i> ; 2. <i>Proposal on the Proposed Registration and Issuance of Asset Backed Securities.</i>	The Audit Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law</i> and the <i>Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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Audit Committee	Huang Qinglin, Cai Zhaoyun, Xu Limin	8	July 28 th , 2023	Considered and approved: 1. <i>2023 Semi-annual Report and Summary</i> ; 2. <i>Proposal on 2023 Semi-annual Deposit and Use of Raised Funds</i> .	The Audit Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law</i> , <i>Securities Law</i> and the <i>Articles of Association and Rules of Procedures of the Board of Directors</i> . The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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<p>Audit Committee</p>	<p>Huang Qinglin, Cai Zhaoyun, Xu Limin</p>	<p>8</p>	<p>October 18th, 2023</p>	<p>Considered and approved: 1. <i>The Third Quarter Report of 2023.</i></p>	<p>The Audit Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law</i>, <i>Securities Law</i> and the <i>Articles of Association</i> and <i>Rules of Procedures of the Board of Directors</i>. The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.</p>	<p>N/A</p>	<p>N/A</p>
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Audit Committee	Huang Qinglin, Cai Zhaoyun, Xu Limin	8	December 21 st , 2023	Considered and approved: 1. <i>Proposal on the Estimation of Routine Related Transactions in 2024.</i>	The Audit Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law and the Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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Audit Committee	Huang Qinglin, Cai Zhaoyun, Xu Limin	8	December 29 th , 2023	Considered and approved: 1. <i>Proposal on Temporarily Supplementing Working Capital Using Part of Idle Raised Funds.</i>	The Audit Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law</i> and the <i>Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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VIII. Work of the Supervisory Board

Whether the Supervisory Committee found any risks during the supervision activities in the reporting period

Yes No

The Supervisory Committee has no objection to the supervisory matters during the reporting period.

IX. Overview of Employees

1. Number, professional composition and education level of employees

Number of working employees of parent company at the end of reporting period (persons)	1,729
Number of employees in major subsidiaries at the end of reporting period (persons)	11,007
Total number of in-service employees at the end of reporting Period (persons)	12,736
Total number of employees receiving remuneration in the current period (persons)	12,736
Number of retired employees of the parent company and major subsidiaries requiring expenses (persons)	19
Professional composition	
Professional composition categories	Number of employee in each professional area (persons)
Production staff	3,306
Sales	4,713
Technical staff	2,505
Financial staff	306
Administrative staff	1,906
In total	12,736
Education level	
Education level categories	Number (persons)

Master's degree and above	669
Bachelor	5,840
University College and below	6,227
In total	12,736

2. Payment System

The Remuneration and Evaluation Committee under the Board of Directors of the company initiates the annual salary measurement and adjustment based on the salary management system, the completion of the company's business performance and the job characteristics of positions. The company refers to the annual performance results, tilts to the core positions, combines the supply and demand situation in the domestic talent market, price index and other information to fully implement the broadband salary management system, carries out job value assessment for each position, determines the salary scale standard, and guarantees internal fairness. In addition, the company surveys employees about salary from time to time, and refers to external salary to adjust salaries annually, so as to ensure the competitiveness of the salary.

3. Training System

The company is committed to building a learning organization. Based on the needs of the organization and the personal development of employees, the company set up a business school to focus on the sustainable development of the organization and the ability of employees. The company values knowledge generation and adopts a combination of both internal extraction and external introduction to form organizational learning assets. The company pays attention to staff development, based on the needs of organizational and personal development of employees, the business school was established to focus on the continuous development of organizational and employee capabilities, forming a training model with internal development as the core and supplemented by external course resources; based on the needs of business development, focusing on key positions and key talent training and continuous empowerment of employees, which cover new employees and managers. The company also focuses on the business quality of front-line employees and increase the training and qualification of industrial workers through school-enterprise cooperation and the establishment of practical bases around the world. Embrace digitalization. Fully unleashing the potential of digitization, the company also works with external

suppliers to continuously optimize the training platform, enrich the training methods and increase the training content to promote the common growth of employees and the company.

4. Outsourcing Status

Applicable, Not applicable

X. Distribution of company profits and conversion of capital reserve fund into capital stock

Formulation, implementation or adjustment of profit distribution policies, especially cash dividend policies during the reporting period

Applicable Not-applicable

During the reporting period, the company thoroughly developed and implemented the company's profit distribution plan in strict accordance with the requirements of the *Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange—Standardized Operation of Main Board Listed Companies*, the Company's *Articles of Association* and other relevant laws and regulations. On May 5th, 2023, the 2022 annual shareholders meeting of the company approved the profit distribution plan for the year 2022. Based on the total share capital of 2,518,464,191 shares on the equity registration date (May 18th, 2023), after deducting the repurchased shares (27,866,756 shares) from the company's repurchase account, a total of 2,490,597,435 shares were distributed as cash dividends of 1.00 yuan (including tax) per 10 shares to all shareholders, totaling 249,0597,43.50 yuan (including tax). And it was completed on May 19th, 2023.

Special Notes on Cash Dividend Distribution Policies	
Whether the provisions of the Company's Articles of Association or the requirements of the resolutions made at general meeting are satisfied:	Yes
Whether definite criteria and proportions of dividends distribution are set out:	Yes
Whether relevant decision-making procedures and mechanisms are complete:	Yes
Whether independent directors have performed their duties and played their due role:	Yes
For those who do not receive cash dividends distribution, specific reasons should be disclosed by the company, as well as the measures to be taken next to enhance investor	Not applicable

returns:	
Whether minority shareholders can fully express their opinions and appeals, and have their legitimate rights and interests fully protected:	Yes
Whether relevant conditions and procedures are compliant and transparent where any adjustment or change is made to cash dividends distribution policies:	Not applicable

The Company is profitable during the reporting period and the parent company has positive profit available for distribution to shareholders but no cash dividend distribution plan has been proposed

Applicable Not applicable

Profit distribution and transfer of capital reserve into share capitals during the reporting period

Applicable Not applicable

Number of bonus shares for every 10 shares (share)	0
Amount of dividend for every 10 shares (RMB) (tax inclusive)	6
Base number of shares for proposed distribution plan (shares)	2,455,140,167
Amount of cash dividends distributed (RMB) (inclusive of tax)	1,473,084,100.00
Amount of cash dividends distributed in other ways (i.e. repurchase of shares) (RMB)	122,452,322.00
Total amount of cash dividends (incl. those distributed in other ways) (RMB)	1,595,536,422.20
Profit distributable (RMB)	1,861,191,678.26
Total cash dividends (including those distributed in other ways) as % of the total profits distributed	100%

Cash dividend distribution for the period
If the Company is at the growth stage of development and has significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 20% when the profit distribution is made.
Detailed description of proposed plan for profit distribution or transfer of capital reserve
<p>According to the audit by Grant Thornton China, in 2023, the company achieved a net profit attributable to the owners of the parent company of 2, 273, 331, 266. 86 yuan, while the parent company achieved a net profit of 481, 375, 870.48 yuan. According to the provisions of the Company Law and the Articles of Association, a statutory surplus reserve of 48, 137, 587. 05 yuan shall be set aside based on 10% of the net profit realized by the parent company, plus the undistributed profit of 1, 677, 013, 138. 33 yuan at the beginning of the year, minus the actual distributed cash dividend of 249, 059, 743. 50 RMB for the year 2022. The total profit distributable for this year is 1, 861, 191, 678. 26 yuan.</p> <p>The 2023 profit distribution plan of the company is to distribute a cash dividend of 6 yuan (including tax) to all shareholders for every 10 shares, based on the total share capital on the equity registration date when the distribution plan is implemented in the future, minus the total share capital that has been repurchased in the company's repurchase special account. There will be no bonus shares or capital reserve converted into share capital. The company will not participate in profit distribution or capital reserve converted into share capital through the repurchase special account, and the remaining undistributed profits will be carried forward to future years. If there is a change in the total share capital of the company before the implementation of the profit distribution plan, the profit distribution shall be based on the total share capital of the company on the date of equity registration, minus the total share capital of the repurchased shares in the company's repurchase special account, and the distribution ratio shall remain unchanged. This plan strictly complies with the provisions of the <i>Regulatory Guidelines No. 3 for Listed Companies - Cash Dividends for Listed Companies</i> of the China Securities Regulatory Commission, as well as the requirements of the Company's <i>Articles of Association</i>, and has legality, compliance, and rationality. The amount of cash dividend in the table is calculated based temporarily on the total share capital of the company as of the end of the reporting period, after deducting the repurchased shares in the company's repurchase special account. The company will distribute cash dividends to all shareholders based on the total share capital on the equity registration date when implementing the equity distribution plan, after deducting the repurchased shares in the company's repurchase special account.</p>

XI. Implementation of Company's equity incentive scheme, employee stock holding scheme and other employee incentive scheme

Applicable Not applicable

1. Equity Incentive

(1). The Implementation of Stage II Restricted Share Incentive Scheme

1. The Company held the 5th meeting of the 7th Board of Directors and the 5th meeting of the 7th Board of Supervisors respectively on September 20, 2019, reviewed and passed Beijing Oriental

Yuhong Waterproof Technology Co., Ltd. Phase III Restricted Stock Incentive Scheme (Draft) and its summary. The incentive scheme is in the form of restricted stock and the source of the stocks is Oriental Yuhong's buying back of the Company's stock from the secondary market and private equity placement of Class A ordinary shares to eligible participants; the scheme intends to grant no more than 329,661.29 million restricted stocks, accounting for 2.21% of the total equity of 1,492.087952 million shares of Oriental Yuhong when the incentive scheme was signed. 2189 eligible participants were involved in the initial grant of the incentive scheme and the price of the restricted stock is RMB10.77/share.

2. The Company revised and improved the "Chapter V Specifics Concerning Incentive Scheme", "VI. Conditions for Granting and Vesting Restricted Stock", "Performance Appraisal at Company Level" and "Sound and Reasonable Setting of Appraisal Indicators" in the abstract were explained. Commitment that repurchasing shares will not damage the debt performance ability and sustainable operation ability of listed companies. of *Stage III Restricted Stock Incentive Scheme (Draft) of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.* and its summary announced on September 21, 2019, finalizing the *Stage II I Restricted Stock Incentive Scheme (Revised Draft) of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.* (hereinafter referred to as the *Stage III Restricted Stock Incentive Scheme*) and its summary, and was deliberated and passed on September 27, 2019 at the Company's 6th meeting of the 7th Board of Directors and the 6th meeting of the 7th Board of Supervisors.

3. From September 27, to October 8, 2019, the company publicized the names and positions included in the third restricted stock incentive scheme within the company only through internal office system. As of the expiration of the publicity period, no objection was raised.

4. On October 15, 2019, the Company held the 3rd extraordinary general meeting of shareholders in 2019 to deliberate on and pass the *Stage III Restricted Stock Incentive Scheme* and its summary, as well as the *Proposal on the Request to the General Meeting of Shareholders to Authorize the Board of Directors to Proceed the Company's Stage III Restricted Stock Proposal Incentive Scheme*. The Board of Directors is authorized to determine the date for granting restricted stocks, granting restricted stocks to eligible participants when the latter meet the conditions, and to handle all related issues.

5. On November 11, 2019, the Company held, respectively, the 8th meeting of the 7th Board of Directors and the 8th meeting of 7th Board of Supervisors to deliberate and pass the *Proposal on Adjusting the Eligible Participants for Stage III Restricted Stock Incentive Scheme, Quantity and Price for Granting*. According to the authorization of the 3rd extraordinary general meeting of

shareholders in 2019. The Board of Directors of the Company believed that the conditions for granting restricted stocks was ready, and appointed November 11, 2019 as initial grant date. During the period of restricted stock payment after the grant date was confirmed, 437 eligible participants gave up a total of 5,603,601 shares due to resignation and insufficient funds. The Company had granted a total of 27.362528 million restricted stocks to 1,752 eligible participants (including the initial public offering of 3,822,369 shares, and the remaining 23,540,159 public shares bought back by the Company as part of the source of restricted stocks). The listing date of the granted shares was December 12, 2019. According to the relevant provisions of the *Accounting Standards for Enterprises*, the implementation of the Company's restricted stocks would have certain impact on the Company's financial position and operating results for the next few years. After calculation, it was estimated that the total incentive cost of 27.362 million restricted stocks initially granted to eligible participants was RMB 353,294,700. The cost amortization of restricted stocks from 2019 to 2023 is shown in the following chart:

Restricted shares granted (10,000 shares)	Total amortized expenses (RMB10,000)	2019 (RMB10,000)	2020 (RMB10,000)	2021 (RMB10,000)	2022 (RMB10,000)	2023 (RMB10,000)
2,736.25	35,329.47	2,504.55	17,198.58	8,967.31	4,751.49	1,907.55

The amortization costs will be listed in recurrent profit and loss, which will reduce current net profit accordingly. The final impact of the above on the Company's financial position and operating results shall be subject to the annual audit report issued by the accounting firm.

6. On October 26, 2020, the Company held the 21st meeting of the 7th Board of Directors and the 15th meeting of 7th Board of Supervisors, deliberated on and passed *Proposals on the Adjustment of Buying Back Prices of the Restricted Shares Granted in Stage III Restricted Shares Incentive Scheme*. Considering the company's 2019 Equity Distribution Scheme: based on the company's existing total share capital of 1,569,784,697 shares, RMB 3 in cash was distributed to all shareholders for every 10 shares (including tax). The rights and interests had all been distributed on June 1, 2017.

Since the cash bonus in 2016 that the eligible participants should have received through the restricted shares granted in Stage II has been transferred into their capital account by shareholder custodian securities company (or other custodian institutions). As stipulated by Stage II Restricted

Shares Incentive Scheme, the Company shall make corresponding adjustments to the buying back price of the restricted shares after excluding the dividends of the company's share price while distributing stock dividends. Therefore, the buying back price of restricted stock granted for the first time is adjusted from RMB8.24/share to RMB8.09/share. In addition, the company didn't give out bonus shares or convert capital reserve into share capital. This equity distribution scheme was implemented on June 15, 2020. Since the cash bonus in 2019 that the eligible participants should have received through the restricted shares granted in Stage III has been transferred into their capital account by shareholder custodian securities company (or other custodian institutions), as stipulated by Stage III Restricted Shares Incentive Scheme, the Company shall make corresponding adjustments to the buying back price of the restricted shares after excluding the dividends of the company's share price while distributing stock dividends. Therefore, the buying back price of restricted stock granted is adjusted from RMB10.77/share to RMB10.47/share.

Company's equity distribution scheme for the first half of 2020 was based on the company's total share capital of 1,569,784,697 shares as of June 30, 2020 and the capital reserve would be transferred to all shareholders 5 shares for every 10 shares for a total increase of 784,892,348 shares. Company's total share capital will be increased to 2,354,677 after transferring. In addition, no bonus shares would be given out. Nor would cash dividends. This equity distribution scheme was implemented on October 22, 2020. Since the cash bonus for half part of 2020 that the eligible participants should have received through the restricted shares granted in Stage III has been transferred into their security account directly on October 22, 2020, as stipulated by Stage III Restricted Shares Incentive Scheme, the company shall make corresponding adjustments to the buying back price of the restricted shares that was still locked up after ex-righting of share prices through the conversion of capital reserve into share capital.

Therefore, the buying back price of restricted stock granted is adjusted from RMB10.47/share to RMB6.98/share.

7. On October 26, 2020, the Company held the 21st meeting of the 7th Board of Directors and the 15th meeting of 7th Board of Supervisors, deliberated on and passed *Proposals on the Adjustment of Buying Back Prices of the Restricted Shares Granted in Stage III Restricted Shares Incentive Scheme*. Based on the regulation of Stage III Restricted Shares Incentive Scheme, due to the resignation, under qualification, and changes in job of some eligible participants, the Board of Directors decided to buy back and write off 14,272,500 restricted shares granted yet to be unlocked,

and have completed relevant procedures for the aforesaid restricted shares on January 4, 2021 under the consent of the 3rd extraordinary general meeting of shareholders in 2019.

8. On December 7, 2020, the company held the third extraordinary shareholders' meeting 2020 to deliberate and pass the *Proposal on the Repurchase of Restricted Stock granted but not yet unlocked by Certain non-eligible incentive objects under the Cancellation of the Stage III Restricted Stock Incentive Plan*. According to the relevant provisions of the third restricted stock incentive scheme, due to resignation, incompetence or unqualified assessment, all of which resulted in job changes, the shareholders' meeting agreed that the company would buy back and cancel all the stage III restricted shares it had been granted but not yet unlocked, which totaled 1,427,250 shares, and completed the buyback and cancellation procedures for the above-mentioned restricted shares on January 4, 2021. See the following table for the amortization cost of restricted shares from 2019 to 2023:

Restricted shares granted (10,000 shares)	Total amortization expenses (RMB10,000)	2019 (RMB10,000)	2020 (RMB10,000)	2021 (RMB10,000)	2022 (RMB10,000)	2023 (RMB10,000)
2,641.10	34,100.93	2,417.46	16,600.52	8,655.48	4,586.26	1,841.21

The amortized cost will be charged in the current profit and loss, which will reduce the company's current net profit. The final result of the above-mentioned impact on the company's financial status and its operating results shall be subject to the annual audit report issued by the accounting firm.

9. On October 26th, 2021, the company held the 44th meeting of the 7th Board of Directors and the 24th meeting of the 7th Board of Supervisors respectively to deliberate and pass *the Proposal on the Fulfillment of the First Unlocking of Restricted Stock Incentive Scheme in the Stage III*. According to the relevant provisions of the Third Restricted Stock Incentive Scheme, the Board of Directors agreed that the conditions for the first release of the restricted shares held by the incentive objects in stage III had been met, and agreed to lift ban on 9,175,070 restricted shares for 1,598 of them. According to the authorization of the company's third extraordinary general meeting of shareholders in 2019, the board of directors completed the relevant unlocking procedures, with the result of total of 9,175,007 restricted shares were vested and got listed on December 8, 2021.

10. On October 26th, 2021, the Company held the 44th meeting of the 7th Board of Directors and the 24th meeting of the 7th Board of Supervisors respectively to deliberate and pass *the Proposal on*

Adjusting the Restricted Stock Buying-back Price of the Third Restricted Stock Incentive Scheme.

The company's annual equity distribution plan for 2020 is as following: based on the total share capital of date of record (May 28th, 2021) of 2,523,561,412 shares, a cash dividend of RMB 3.00 (tax inclusive) will be distributed to all shareholders for every 10 shares. In addition, the company would not give out bonus shares and convert capital reserve into share capital. This equity distribution plan was implemented on May 31, 2021. Since the cash bonus in 2020 that the eligible participants should have received through the restricted shares granted in Stage III has been transferred into their capital account by shareholder custodian securities company (or other custodian institutions), on May 31, 2021, as stipulated by Stage III Restricted Shares Incentive Scheme, the Company shall make corresponding adjustments to the buying back price of the restricted shares after excluding the dividends of the company's share price while distributing stock dividends. Therefore, the buy-back price of restricted shares in the third restricted stock incentive scheme was adjusted from 6.98 yuan/share to 6.68 yuan/share.

11. On October 26, 2021, the company held the 44th meeting of the 7th Board of Directors and the 24th meeting of the 7th Board of Supervisors respectively to deliberate and pass the *Proposal on the Repurchase of Restricted Stock granted but not yet unlocked by Certain non-eligible incentive objects under the Cancellation of the Stage III Restricted Stock Incentive Plan*. According to the relevant provisions of the Third Restricted Stock Incentive Scheme, the Board of Directors decided to buy back and cancel 1,577,408 shares of the third restricted stock that had been granted but not yet lifted for some incentive objects changed their positions due to resignation and incompetence, and the personal performance assessment in 2020 was not or fully up to standard.

12. On November 15, 2021, the company held the fourth extraordinary shareholders' meeting in 2021 to deliberate and pass the *Proposal on the Repurchase of Restricted Stock granted but not yet unlocked by Certain non-eligible incentive objects under the Cancellation of the Stage III Restricted Stock Incentive Plan*. According to the relevant provisions of the Third Restricted Stock Incentive Scheme, based on the ground that some incentive objects have changed their positions due to resignation and incompetence, and their personal performance assessment in 2020 is not up or fully up to the standard, the shareholders' general meeting concluded that the company would buy back and cancel all or part of the third restricted stock, totaling 1,577,408 shares, and completed the repurchase and cancellation procedures of the above restricted stock on January 14, 2022.

Restricted shares granted (10,000 shares)	Total amortization expenses (RMB10,000)	2019 (RMB10,000)	2020 (RMB10,000)	2021 (RMB10,000)	2022 (RMB10,000)	2023 (RMB10,000)
2,535.94	32,743.13	2,345.19	16,069.57	8,168.60	4,395.25	1,764.53

The amortized cost will be charged under the current profit and loss, which will reduce the company's current net profit. The final result of the above-mentioned impact on the company's financial status and operating results shall be subject to the annual audit report issued by the accounting firm.

13. On August 22, 2022, the company held the 54th meeting of the 7th Board of Directors and the 31st meeting of the 7th Board of Supervisors respectively to deliberate and pass the *Proposal on the Fulfillment of the Second Unlocking of the Stage III Restricted Stock Incentive Scheme*. According to the relevant provisions of the Third Restricted Stock Incentive Scheme, the Board of Directors considered that the conditions for lifting the sales of the third restricted stock held by the incentive objects during the second period of lifting the restricted sales have been met, and agreed to complete the lifting of the restricted sales of 8,726,077 restricted shares for 1,552 of them. According to the authorization of the company's third extraordinary general meeting of shareholders in 2019, the board of directors went through the relevant unlocking procedures. As a result, a total of 8,726,077 restricted shares were released and listed on September 8, 2022.

14. On August 29th, 2022, the company held the 56th meeting of the 7th Board of Directors and the 32nd meeting of the 7th Board of Supervisors respectively to deliberate and pass *the Proposal on Adjusting the Repurchase Price of Restricted Stock under Stage III Restricted Stock Incentive Scheme*. The company's annual equity distribution scheme for 2021 is as following: based on the total share capital of 2,519,627,295 shares at the date of recording (May 30, 2022) when the distribution plan is implemented, the total share capital of 2,508,378,631 shares deducted from the repurchased shares (11,248,664 shares) in the company's repurchase account will be distributed to all shareholders for every 10 shares. In addition, the company didn't not give out bonus shares or convert capital reserve into share capital. This equity distribution scheme was implemented on May 31, 2022. As the cash dividend in 2021 earned by the incentive object due to the granted restricted shares in the third phase was directly transferred to its capital account on May 31, 2022 through the shareholder custody securities company (or other custody institutions), according to the provisions

of the Third Restricted Stock Incentive Scheme, the company shall adjust the repurchase price of the restricted shares that have not been lifted after the company distributes stock dividends to exceed the company's stock price. Therefore, the repurchase price of restricted stocks in the third restricted stock incentive plan was adjusted from 6.68 yuan/share to 6.38 yuan/share.

15. On August 29, 2022, the company held the 56th meeting of the 7th Board of Directors and the 32nd meeting of the 7th Board of Supervisors respectively, to deliberate and pass *the Proposal on the Repurchase of Restricted Stock granted but not yet unlocked by Certain non-eligible incentive objects under the Cancellation of the Stage III Restricted Stock Incentive Plan*. According to the relevant provisions of the Third Restricted Stock Incentive Scheme, due to the resignation of some incentive object, the unqualified performance assessment in 2021 or the failure to fully meet certain standards, the board of directors decided to buy back and cancel all or part of the restricted shares in the third phase which has been granted but not lifted according to the authorization of the third extraordinary general meeting of shareholders in 2019, totaling 1,283,406 shares.

16. On September 16, 2022, the company held the first extraordinary shareholders' meeting in 2022, to deliberate and pass the *Proposal on the Repurchase of Restricted Stock granted but not yet unlocked by Certain non-eligible incentive objects under the Cancellation of the Stage III Restricted Stock Incentive Plan*. According to the relevant provisions of the Third Restricted Stock Incentive Scheme, the shareholders' meeting agreed that the company would buy back and cancel 1,283,406 shares of all or part of the third restricted stock that it has been granted but has not yet lifted due to reasons such as the resignation of some incentive object, the unqualified performance assessment in 2021, and so on. One of the aforementioned incentive objects, namely, Zhang Wei, currently holds 0.45 million shares of incentive restricted shares of the company's third-phase restricted stock equity, which should be repurchased and canceled this time. Due to personal reasons, all the third-phase restricted shares held by Zhang Wei were frozen by the judiciary injunction on June 22, 2021. The direct result was that company could not repurchase or cancel the 0.75 million restricted shares held by him. Therefore, the third-phase restricted shares applied for repurchase and cancellation this time are 1,282,656 shares. On November 22nd, 2022, the Company completed the repurchase cancellation procedures of the above-mentioned restricted shares, and the amortization cost of restricted shares from 2019 to 2023 is shown in the following table:

Restricted shares granted (10,000 shares)	Total amortization expenses (RMB10,000)	2019 (RMB10,000)	2020 (RMB10,000)	2021 (RMB10,000)	2022 (RMB10,000)	2023 (RMB10,000)
		0)))))

2,450.43	31,639.05	2,230.47	15,312.20	7,978.35	4,365.46	1,752.57
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The amortized cost will be charged under the current profit and loss, which will reduce the company's current net profit. The final result of the above-mentioned impact on the company's financial status and operating results shall be subject to the annual audit report issued by the accounting firm.

17. In light of the real situation, the company revised the Company-level performance appraisal requirements as well as the well-conceived and reasonable explanation of the appraisal index setting in Chapter V of the Third Restricted Stock Incentive Scheme and its abstract, and formed the Third Restricted Stock Incentive Scheme of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (the second revised draft). It was deliberated on and approved by the 11th meeting of the 8th Board of Directors, the 8th meeting of the 8th Board of Supervisors and the 2nd Extraordinary General Meeting of Shareholders in 2023 held on September 28th, 2023.

(II) Implementation of the stock option incentive Scheme in 2021

1. On March 26th, 2021, the Company held the 30th meeting of the 7th Board of Directors and the 16th meeting of the 7th Board of Supervisors respectively, to deliberate and pass the Proposal of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. 2021 Stock Option Incentive Scheme (Draft) (hereinafter referred to as "2021 Stock Option Incentive Scheme") and its abstract. The incentive tool used in this incentive scheme is stock option, with the stock source being the company's directional issuance of Class A-share to the incentive object. This scheme intends to grant 52,004,500 stock options to the incentive object, with underlying stocks involved accounting for about 2.22% of the company's total share capital of 2,347,737,237 shares at the time when the draft incentive plan is announced. Each stock option has the right to purchase one Class A-share of the company at the exercise price within the validity period. There were 4,160 incentive objects granted under this scheme, with the exercise price of stock options being 48.99 yuan/share.

2. From March 27th, to April 5th, 2021, the company publicized the names and positions of the incentive objects of the 2021 stock option incentive scheme through the internal office system. By the end of the expiration of the publicity period, there was no objection raised.

3. On April 12, 2021, the company held the second extraordinary shareholders' meeting in 2021, which deliberated and passed the 2021 Stock Option Incentive scheme and its abstract, and the Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to handle matters related to the Company's 2021 Stock Option Incentive Scheme. The Board of Directors

were authorized to decide the grant date of the stock option incentive scheme, grant stock options to the incentive object when they meet the requirements, and handle all the necessary matters for granting stock options.

4. On April 26, 2021, the company held the 35th meeting of the 7th Board of Directors and the 20th meeting of the 7th Board of Supervisors, to deliberate and pass the Proposal on Adjusting the List of Incentive Objects and the Number of Granted Stock Options in 2021 and the Proposal on Granting Stock Options in 2021 to Incentive Objects. In view of the fact that due to the resignation or job change of some incentive objects under the incentive scheme 249,000 stock options granted by the company were abandoned, the Board of Directors thus adjusted the list of incentive objects and the number of stock options granted this time. They decided that the date of the grant of stock options was April 26, 2021, and 51,755,500 stock options were granted to 4,136 incentive objects.

5. On May 14, 2021, the company completed the grant registration of stock options. In the process of the registration of stock option grant after the grant date, 55 incentive objects abandoned 580,000 stock options due to resignation or job change, so in fact the company granted 51,175,500 stock options to 4,081 incentive objects. According to the relevant provisions of the Accounting Standards for Business Enterprises, the implementation of the company's stock option incentive scheme will have a certain impact on the company's financial situation and operating results in the next few years. After calculation, it is estimated that the total incentive cost of 51,175,500 stock options granted to the incentive object is 658,884,600 yuan, so the amortization cost of stock option from 2021 to 2025 is shown in the following table:

Granted shares (Ten thousand share)	Total share payment expenses (Ten thousand yuan)	2021 (Ten thousand yuan)	2022 (Ten thousand yuan)	2023 (Ten thousand yuan)	2024 (Ten thousand yuan)	2025 (Ten thousand yuan)
5,117.55	65,888.46	21,203.00	22,934.09	13,338.68	6,803.85	1,608.83

The above-mentioned cost measurement and amortization are based on the principle of accounting prudence, without considering the granted stock options that are not exercised in the future. The amortized cost will be charged under the current profit and loss, which will reduce the company's current net profit. The final result of the above-mentioned impact on the company's financial status and operating results shall be subject to the annual audit report issued by the accounting firm.

6. On June 1, 2021, the company held the 37th meeting of the 7th Board of Directors and the 21st

meeting of the 7th Board of Supervisors, which deliberated and passed the Proposal on Adjusting the Exercise Price of the 2021 Stock Option Incentive Scheme. In view of the fact that the company's annual equity distribution scheme for 2020 was based on the total share capital of 2,523,561,412 shares on the date of record (May 28, 2021) at the time when the distribution plan was implemented, a cash dividend of 3.00 yuan (tax inclusive) was distributed to all shareholders for every 10 shares. The company didn't give out bonus shares. Nor did they converted capital reserve into share capital. This equity distribution scheme has been implemented by the end of May 31, 2021. Since this distribution of rights and interests occurred before the exercise of the stock option incentive scheme in 2021, according to the provisions of the Stock Option Incentive Scheme in 2021, should there be any dividend distribution, capitalization of capital reserve, stock dividend distribution, share splitting, rights issue or share reduction before the exercise, the exercise price of the stock option incentive scheme in 2021 should be adjusted accordingly. Therefore, the exercise price of the stock option incentive scheme in 2021 was adjusted from 48.99 yuan/share to 48.69 yuan.

7. On April 27th, 2022, the company held the 48th meeting of the 7th Board of Directors and the 27th meeting of the 7th Board of Supervisors, which deliberated and passed the Proposal on Fulfillment of Exercise Conditions in the First Exercise Period of the 2021 Stock Option Incentive Scheme and the Proposal on Cancellation of Stock Options which have been granted but not yet exercised by some incentive objects in the 2021 Stock Option Incentive Scheme. According to the relevant provisions of the Company's "2021 Stock Option Incentive Scheme", the Board of Directors believes that the exercise conditions of the first exercise period of the 2021 stock option incentive scheme held by the incentive objects have been fulfilled, and agreed to handle the independent exercise procedures for 3,294 incentive objects in the first exercise period. The actual number of stock options exercised is 9,125,945 with the exercise price being 48.69 yuan/share. The first exercise period of the 2021 stock option incentive Scheme is from May 12, 2022 to April 25, 2023. During the first exercise period, the actual number of incentive objects who have exercised is 144,413. According to the relevant provisions of the Company's 2021 Stock Option Incentive Scheme, due to the resignation, or the failure to meet the standards in performance assessment in 2021, the Board of Directors decided, with the authorization from the second extraordinary shareholders' meeting in 2021, that all or part of the 1,737 incentive objects that have been granted but not yet exercised, which totaled 7,222,930, shall not be exercised, and the Company shall cancel them. The cancellation of this stock option was completed on May 9, 2022. The amortization cost of stock option from 2021 to 2025 is shown in the following table:

Granted shares (Ten thousand share)	Total share payment expenses (Ten thousand yuan)	2021 (Ten thousand yuan)	2022 (Ten thousand yuan)	2023 (Ten thousand yuan)	2024 (Ten thousand yuan)	2025 (Ten thousand yuan)
4,395.26	57,203.46	17,517.63	19,949.13	12,103.22	6,173.66	1,459.82

The above-mentioned cost measurement and amortization are based on the principle of accounting prudence, without considering the granted stock options that will not be exercised in the future. The amortized cost will be charged under the current profit and loss, which will reduce the company's current net profit. The final result of the above-mentioned impact on the company's financial status and operating results shall be subject to the annual audit report issued by the accounting firm.

8. On May 23, 2022, the company held the 51st meeting of the 7th Board of Directors and the 28th meeting of the 7th Board of Supervisors, to deliberate and pass the Proposal on Adjusting the Exercise Price of the 2021 Stock Option Incentive Scheme. In view of the fact that the company's annual equity distribution Scheme for 2021 is as following: based on the total share capital of 2,508,378,631 shares after deducting the repurchased shares (11,248,664 shares) from 2,519,627,295 shares in the company's repurchase account at the date of record when the distribution scheme was implemented, 3.00 yuan in cash (tax inclusive) was distributed to all shareholders for every 10 shares. The company didn't give out bonus shares or converted capital reserve into share capital. According to the provisions of the 2021 Stock Option Incentive Scheme, the exercise price should be adjusted accordingly should any following matters occur such as dividend distribution, capitalization of capital reserve, stock dividend distribution, share splitting, rights issue or share reduction before exercise. Therefore, the exercise price of the 2021 Stock Option Incentive Scheme was adjusted from 48.69 yuan/share to 48.39 yuan/share.

9. On April 25th, 2023, the company held the 7th meeting of the 8th Board of Directors and the 5th meeting of the 8th Board of Supervisors, which deliberated and passed the Proposal on Canceling the Stock Options which have been granted but not exercised by some incentive objects under the 2021 Stock Option Incentive Scheme. According to the Measures for the Administration of Equity Incentives of Listed Companies, the 2021 Stock Option Incentive Scheme together with other relevant regulations and in view of the fact that the first exercise period of the company's 2021

stock option incentive scheme is from April 25, 2022 to May 12, 2023, as of the expiration of the first exercise period, the company would cancel a total of 8,013,782 unexercised stock options held by 2,860 incentive objects. Among the incentive objects, 518 incentive objects have resigned, and given that all the stock options granted to them have not yet been exercised, which totaled 5,354,875, the company would cancel them. As the second exercise period of the stock option incentive scheme in 2021 corresponded to the company-level performance assessment in 2022 and the assessment in question failed to meet the exercise conditions, the company would cancel 10,146,500 stock options held by a total of 3,161 incentive objects. To sum up, according to the authorization from the second extraordinary general meeting of shareholders in 2021, the Board of Directors decided that the company would cancel all or part of the stock options that have been granted to the aforementioned incentive objects but have not been exercised given those incentive objects had no right to exercise them, totaling 23,515,157 shares. The cancellation of stock options was completed on June 5, 2023. The amortization cost of stock option from 2021 to 2025 is shown in the following table:

Granted Shares (Ten thousand share)	Total share payment expenses (Ten thousand yuan)	2021 (Ten thousand yuan)	2022 (Ten thousand yuan)	2023 (Ten thousand yuan)	2024 (Ten thousand yuan)	2025 (Ten thousand yuan)
2,043.74	29,575.04	5,788.37	8,582.42	8,532.36	5,395.97	1,275.92

The above-mentioned cost measurement and amortization are based on the principle of accounting prudence, without considering the granted stock options that will not be exercised in the future. The amortized cost will be charged under the current profit and loss, which will reduce the company's current net profit. The final result of the above-mentioned impact on the company's financial status and operating results shall be subject to the annual audit report issued by the accounting firm.

10. On June 6, 2023, the company held the 8th meeting of the 8th Board of Directors and the 6th meeting of the 8th Board of Supervisors, which deliberated and passed the Proposal on Adjusting the Exercise Price of the 2021 Stock Option Incentive Scheme. In view of the fact that the company's annual equity distribution plan for 2022 is as following: based on the total share capital of 2,490,597,435 shares after deducting the repurchased shares (27,866,756 shares) from 2,518,464,191 shares in the company's repurchase account at the date of record when the

distribution scheme was implemented, 1.00 yuan in cash (tax inclusive) was distributed to all shareholders for every 10 shares. The company did not give out bonus shares or converted capital reserve into share capital. According to the provisions of the 2021 Stock Option Incentive Scheme, the exercise price should be adjusted accordingly should any such matter occur as dividend distribution, capitalization of capital reserve, stock dividend distribution, share splitting, rights issue or share reduction before exercise. Therefore, the exercise price of the 2021 Stock Option Incentive Plan was adjusted from 48.39 yuan/share to 48.29 yuan/share.

(III) Implementation of the Restricted Stock Incentive Scheme in 2023

1. On June 6th, 2023, the Company held the 8th meeting of the 8th Board of Directors and the 6th meeting of the 8th Board of Supervisors, respectively, which deliberated and passed the 2023 Restricted Stock Incentive Scheme (Draft) of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. and its summary as well as other proposals. The incentive tool used in this incentive scheme was restricted stock, with the stock source being the company's own repurchase of the company's shares from the secondary market and the class A-share stock issued to the incentive object. This incentive scheme intended to grant 80,877,270 restricted shares to the incentive object, accounting for about 3.2114% of the company's total share capital of 2,518,464,191 shares when the draft incentive scheme was announced. Among them, 64,701,820 shares were granted for the first time, accounting for about 80.% of the total rights granted this time. 16,175,450 shares were reserved for grant, accounting for about 20% of the total rights granted this time. A total of 7,266 incentive objects were involved in the first grant with the grant price for restricted shares being 13.86 yuan/share.

2. In light of the real situation, the company adjusted the "List of Incentive Objects of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. 2023 Restricted Stock Incentive Scheme" which was announced on June 6, 2023. In order to better play the incentive role of this scheme, the company revised Beijing Oriental Yuhong Waterproof Technology Co., Ltd. 2023 Restricted Stock Incentive Scheme (Draft) and its abstract such as "Article 5 and Article 6, Paragraph 1 of Special Tips", "Chapter 4 Determination Basis and Scope of Incentive Objects, Paragraph 1 of the Scope of Incentive Objects", "Chapter 5 Specific Contents of Incentive Scheme, Paragraphs 1 and 3 of the Target Stock of Incentive Scheme, and Restricted Stock Distribution of Incentive Objects", the related contents of "Chapter V Specific Contents of Incentive Plan (VI), Company Level Performance Assessment Requirements for Granting and Removing Restricted Stock Conditions" and "Chapter V Specific Contents of Incentive Plan (VIII), Accounting Treatment of Restricted Stock (II)" to form "Beijing Oriental Yuhong Waterproof Technology Co., Ltd. 2023 Restricted



Stock Incentive Scheme (Revised Draft)" (hereinafter referred to as "2023 Restricted Stock Incentive Scheme") and its related contents. It was deliberated and approved by the 11th meeting of the 8th Board of Directors and the 8th meeting of the 8th Board of Supervisors on September 8th, 2023.

3. From September 9 to 18, 2023, the company publicized the names and positions of the incentive objects of the restricted stock incentive plan in 2023 through the internal office system. As of the expiration of the publicity period, there was no objection raised.

4. On September 25th, 2023, the company held the second extraordinary shareholders' meeting in 2023, which deliberated and passed the 2023 Restricted Stock Incentive Scheme and its abstract, and the Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Handle Matters Related to the Company's 2023 Restricted Stock Incentive Scheme. The Board of Directors were authorized to determine the grant date of the restricted stock incentive scheme, grant restricted stock to the incentive object when they would meet some requirements, and handle all the necessary matters for granting restricted stock.

5. On December 1, 2023, the company held the 17th meeting of the 8th Board of Directors and the 10th meeting of the 8th Board of Supervisors, which deliberated and passed the Proposal on Termination of the 2023 Restricted Stock Incentive Scheme, and they agreed to terminate the implementation of the company's 2023 Restricted Stock Incentive Scheme, the related 2023 Restricted Stock Incentive Scheme and its abstract, and the implementation assessment of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.

Equity incentives granted to directors and senior executives during the reporting period

Applicable Not applicable

Unit: Share

Name	Title	Number of Stock Options Held at the Beginning of the Year	Number of Stock Options Granted During the Reporting Period	Number of Exercisable Shares During the Reporting Period	Number of Exercised Shares During the Reporting Period	Strike Price for Exercised Shares During the Reporting Period (RMB /share)	Number of Stock Options Held at the End of the Year	Market Price at the End of the Reporting Period (RMB /share)	Number of Restricted Shares Held at the Beginning of the Year	Number of Shares Unlocked in this Period	Number of Restricted Shares Newly Granted During the Reporting Period	Grant Price of Restricted Shares (RMB /share)	Number of Restricted Shares Held at the End of the Year
Zhang Bei	Vice President, Secretary of the Board of Directors	0	0	0	0	0	0	19.2	93,750	0	0	6.38	93,750
Total	--	0	0	0	0	--	0	--	93,750	0	0	--	93,750
Remarks (if any)	No												

Evaluation mechanism and incentive of senior management

The Company has established the appraisal, incentive and restraint mechanism for senior management, strictly assesses and evaluates the performance of job duties and business completion of the senior management of the Company, and all senior management of the Company are appointed by the Board of Directors, responsible to the Board of Directors and undertake the instructions issued by the Board of Directors. The income of senior management personnel is

directly linked to their work performance. After the end of the year, the remuneration and appraisal committee of the Board of Directors of the Company will formulate the remuneration implementation plan based on the year-end appraisal of senior management personnel and implement it after approval by the Board of Directors.

2. Implementation of Employee Stock Ownership Plan

√ Applicable □ Not applicable

All effective employee stock ownership during the reporting period

Scope of Staff	Number of Staff	Number of Shares Held	Change Information	Proportion of the Total Share Capital of a Listed Company	Fund Source for Implementation of the Plan
Directors, supervisors, senior management, middle management and other core business backbone employees	1,411	2,000,000	Not applicable N/A	0.08%	Legal remuneration of the Company's employees, self-financing, financing by financial institutions and other means permitted by laws and regulations, etc.

Stock holdings of directors, supervisors and senior management in Employee Stock Ownership Plan during the reporting period

Name	Title	Number of Shares Held at the Beginning of the Reporting Period	Number of Shares Held at the End of the Reporting Period	Proportion of the Total Share Capital of a Listed Company
Zhang Zhiping	Director, President	361,143	14,522	0.00%
Zhang Ying	Director, Vice President	267,147	10,891	0.00%

Zhang Hongtao	Director, Vice President	74,207	2,904	0.00%
Wang Xiaoxia	Director, Vice President	267,147	10,891	0.00%
Yang Haocheng	Director	361,143	14,522	0.00%
Wang Wenping	Vice President	361,143	14,522	0.00%
Xu Wei	CFO	222,622	9,076	0.00%

Change of asset management institution during the reporting period

Applicable Not applicable

Change in equity due to disposal of holder's shares, etc. during the reporting period

Applicable Not applicable

During the reporting period, the company's 2021 employee stock ownership scheme reduced its shareholding by 47,471,665 shares through centralized bidding transactions, which accounted for 1.88% of the company's total share capital. According to laws and regulations and the relevant provisions of the 2021 employee stock ownership scheme (Draft), the company's 2021 employee stock ownership scheme strictly abode by the market trading rules and the regulations stipulating that it was not allowed to buy or sell shares during the information-sensitive period. By the end of the reporting period, in 2021, the employee stock ownership held 2,000,000 shares of the company. As of the disclosure date of this report, the duration of the employee stock ownership scheme in 2021 has not expired. The company will continue to follow the progress of the employee stock ownership scheme in 2021 and fulfill its information disclosure obligations in a timely manner in strict accordance with relevant laws and regulations.

The exercise of shareholders' rights during the reporting period

During the reporting period, the company exercised the shareholders' right to participate in the cash dividend in 2022 under the 2021 employee stock ownership scheme. Failing to participate in the voting rights of the shareholders' meeting and exercising other shareholders' rights.

Other relevant information and explanation of Employee Stock Ownership Plan during the reporting period

Applicable Not applicable

During the reporting period, if the holder of the Employee Stock Ownership Plan resigns, retires,

dies or is otherwise no longer suitable to continue to participate in the Plan, the management committee established by the Company's Employee Stock Ownership Plan will dispose of the shares of the holder in accordance with the *2021 Employee Stock Ownership Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (draft)* and other relevant provisions to ensure that the relevant disposal is in accordance with the agreement of the Employee Stock Ownership Plan.

Change in members of management committee of the Employee Stock Ownership Plan

Applicable Not applicable

Financial influence of Employee Stock Ownership Plan on the listed Company during the reporting period and related accounting treatment

Applicable Not applicable

Termination of Employee Stock Ownership Plan during the reporting period

Applicable Not applicable

Other description

3. Other employee incentive measures

Applicable Not applicable

XII. Establishment and Implementation of Internal Control During the Reporting Period

1. Establishment and implementation of internal control

The objectives of the Company's internal control are to provide reasonable assurance of legal compliance in operation and management, safety of assets, truthfulness and integrity of financial reports and related information, improve operational efficiency and effectiveness, and promote the achievement of development strategies. The Company has established a sound and effective internal control in accordance with the provisions of the *Basic Internal Control Norms for Enterprises* and its supporting guidelines and other internal control regulatory requirements. The Shareholders' Meeting is the highest authority of the Company, the Board of Directors of the Company is responsible for the establishment and effective implementation of internal control, the Board of Supervisor supervises the establishment and implementation of internal control by the Board of Directors, and the management is responsible for organizing and leading the daily operation of the internal control of the Company. The Board of Directors has set up four special committees, namely the Audit Committee, the Strategy Committee, the Nomination Committee and the Remuneration and Appraisal Committee, which perform their duties in accordance with the relevant laws and regulations and the working rules of each committee and provide recommendations and opinions to the Board of Directors for decision-making. Except for the Strategy Committee, which is chaired by

the Chairman of the Company, the other three committees are chaired by independent directors. The president is responsible to the Board of Directors for ensuring the normal operation of the Company by directing.

The Audit Committee of the Board of Directors, the Board of Supervisors and the Audit Department have evaluated the internal control at the company level and in important business processes, further improved the internal control documents and the internal control system, formed and improved the institutional framework of corporate governance, which provide a good guarantee for the effective operation of the Company's internal control. The existing internal control system of the Company complies with the requirements of national laws, regulations and securities regulatory authorities, covers the main aspects of the Company's operation and management, and meets the current production and operation needs of the Company. It is continuously and strictly implemented in the Company's operation and management, and plays a fine control and preventive role in each process and link of the Company's operation, thus effectively enhancing the standardized operation of the Company and promoting the high-quality and sound development of the Company.

During the reporting period, the company evaluated the effectiveness of internal control as of the benchmark date mentioned in the internal control evaluation report in line with the standard system of business internal control as well as evaluation method concerning internal control, coupled with the daily supervision and special supervision over internal control. The departments, businesses and matters within the evaluation scope and some high-risk areas covered the main aspects of the company's operation and management, with no significant omissions. According to the identification of major internal control deficiencies, as of the base date of the internal control evaluation report, the company has no major internal control deficiencies in either financial reports or non-financial reports.

2. Details of major internal control defects found during the reporting period

Yes No

XIII. The Company's Management Control over the Subsidiaries During the Reporting Period

Company name	Integration plan	Integration progress	Matters during Integration	Measures taken	Progress	Following plans
No	No	No	No	No	No	No

**XIV. Internal Control Self-Evaluation Report or Internal Control Audit Report****1. Internal control self-evaluation report**

Date of disclosure of the full internal control attestation report	April 14,2024	
Full disclosure index of internal control assurance report	http://www.cninfo.com.cn	
Total assets of units included in evaluation as a percentage of the total assets of the company's consolidated financial statements	98.00%	
The ratio of the operating revenues of the units included in the evaluation to the operating revenues of the company's consolidated financial statements	98.00%	
Defect Identification Standards		
Category	Financial Report	Non-financial Report

<p>Qualitative Standards</p>	<p>Deficiencies with the following characteristics are identified as material deficiencies: ①The company's directors, supervisors and senior management conduct fraud, causing material losses and adverse effects; ②The company has major violations of laws and regulations and liability accidents in terms of financial accounting, asset management, capital operation, information disclosure, product quality, production safety and environmental protection, etc., causing the company to suffer from material losses and adverse effects, or being subject to major administrative supervision penalties; ③The company's audit committee and internal audit organizations failed to perform effective supervision functions, causing material losses to the company; ④The financial statements of the company have been or are likely to be issued adverse opinion or disclaimer opinion by a certified public accountant. If the results of condition ①②③ are not significant but important, the deficiencies are identified as material deficiencies. If the results of condition ①②③ are neither significant nor important, the deficiencies are considered as general deficiencies.</p>	<p>Deficiencies with the following characteristics and causing significant impact are identified as material deficiencies: ①Violation of national laws, administrative regulations and normative documents; ②Loss of management personnel and technical personnel in key positions; ③ Lack of institutional control or failure of institutional systems in terms of key businesses areas involved in the company's production and operation; ④ Failure of internal control on information disclosure, resulting in the company being publicly condemned by the regulatory authorities; ⑤The unsatisfying results of internal control evaluation, especially when the result is material deficiencies or material deficiencies that have not been rectified. If the results of the above are not significant but important, the deficiencies are identified as material deficiencies. If the results of the above are neither significant nor important, the deficiencies are considered as general deficiencies.</p>
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Quantitative Standards	<p>Based on the 2022 Consolidated Financial Statements, the quantitative standards for determining the importance of misstatements (including omissions) in the company's consolidated financial statements are as follows:</p> <p>Significant deficiency: misstatement $\geq 10\%$ of pre-tax profit;</p> <p>Important deficiency: 5% of pre-tax profit \leq misstatement $< 10\%$ of pre-tax profit; General deficiency: misstatement $< 5\%$ of pre-tax profit.</p>	<p>Referring to the quantitative standards for internal control deficiencies in financial reporting, the quantitative standards for determining the importance of internal control deficiencies in non-financial reporting are as follows:</p> <p>Significant deficiency: misstatements $\geq 10\%$ of pre-tax profits;</p> <p>Important deficiency: 5% of pre-tax profits \leq misstatements $< 10\%$ of pre-tax profit;</p> <p>General deficiency: misstatement $< 5\%$ of pre-tax profit.</p>
Number of Significant Deficiencies in Financial Reporting (pcs)		0
Number of Non-financial Reporting Significant Deficiencies (pcs)		0
Number of Significant Deficiencies in Financial Reporting (pcs)		0
Number of Non-financial Reporting Significant Deficiencies (pcs)		0

2. Internal control audit report

Applicable Not applicable

Deliberations in Internal Control Audit Report	
As of December 31, 2023, the company has effectively maintained the internal control related to financial statements established in accordance with the <i>Basic Standards for Enterprise Internal Control</i> in all material respects.	
Disclosure of Internal Control Audit report	Disclosure
Full Disclosure Date of Internal Control Audit Report	April 19, 2024
Full Disclosure Index of Internal Control Audit Report	http://www.cninfo.com.cn
Types of Opinions on Internal Control Audit Report	No reserved opinions



Significant Deficiencies in Non-Financial Report	No
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The accounting firm issued an internal control audit report with non-standard opinions

Yes No

The internal control audit report issued by the accounting firm is consistent with the self-evaluation report of the board of directors

Yes No

XV. The rectification of self-examination problems in the special actions of listed company governance

Not applicable

Chapter V Environmental and Social Responsibility

I. Major Environmental Issues

Whether the listed company and its subsidiaries belong to the key pollutant discharge units announced by the environmental protection department

Yes No

Environmental protection related policies and industry standards

1. Waste gas

For Tiandingfeng Nonwovens Co.,Ltd., the organized waste gas emission of gas-fired boilers (hereinafter referred to as "Tiandingfeng Company") shall be subject to the standards for key control areas in Table 2 of the *Emission Standard of Air Pollutants for Boilers of Shandong Province* (DB37/2374-2018) (nitrogen oxides shall not exceed 100mg/m³, sulfur dioxide < 50mg/m³, PM < 10mg/m³) ; The organized waste gas emission of production workshops shall be subject to Part VII of the *Emission Standard of Volatile Organic Compounds* (DB37/2801. 7-2019): Other Industrial Requirements (the emission concentration of non-methane hydrocarbons (NMHC) shall not exceed 40mg/m³); The unorganized NMHC and particulate matters at the factory boundary shall be subject to the standard in Table 2 of the *Integrated Emission Standard of Air Pollutants* (GB16297-1996) (particulate matters shall not exceed 1.0 mg/m, and NMHC shall not exceed 4.0 mg/m³).

2. Noise

Tiandingfeng Company shall be subject to the Class 2 standard under the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB12348--2008) (no exceeding 60 dB in daytime and no exceeding 50 dB at night).

3. Wastewater

Tiandingfeng Company does not generate any industrial wastewater, and its domestic wastewater shall be subject to the Grade A standard under the *Wastewater Quality Standards for Discharge to Municipal Sewers* (GB/T31962-2015) (PH: 6.5-9.5, BOD5 does not exceeding 350mg/L, COD not exceeding 500mg/L, ammonia nitrogen not exceeding 45 mg/L, and suspended solids not exceeding 400 mg/L).

4. Solid waste

General industrial solid waste shall be subject to the *Standard for Pollution Control on the Storage and Disposal Site for General Industrial Waste* (GB18599-2001) and the standard set out in its 2013

revision sheet; Hazardous wastes shall be subject to the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001) and the provisions of its revision sheets.

Environmental Protection Administrative License

In accordance with the *Regulation on the Administration of Permitting of Pollutant Discharges* (Order No. 736) issued and implemented by the State Council on March 1, 2021, the guiding standards and requirements of the National Environmental Protection Standard of the People's Republic of China (*HJ1102-2020*): *Technical Specification for Application and Issuance of Pollutant Permission for Chemical Fibers Manufacturing Industry* issued and implemented by the Ministry of Ecology and Environment on February 28, 2020, Tiandingfeng Company has conducted strict self-examination and inspection in basic production facilities, product output, points of pollution generation, treatment facilities, permitted discharge volume of major pollutants, self-monitoring, environmental management records, etc., and submitted an application for sewage discharge permission in July 2020, and received a sewage discharge permission in December of the same year, which is valid for three years. Due to new workshop and process change, Tiandingfeng Company had submitted an application changing for sewage discharge permission in March 2022, and received a sewage discharge permission in July of the same year, which is valid for five years. Due to the replacement of gas-fired boilers, Tiandingfeng Company applied to change the pollutant discharge permit in November 2022, which was approved in June 2023, with a validity period of 5 years.

During the reporting period, Tiandingfeng Company entrusted Shandong Barui Environmental Protection Technology Co.,Ltd. to conduct monitoring. After comparison and acceptance, the boiler online monitoring equipment was qualified.

Industry emission standards and details of pollutant emission involved in production and business activities

Name of company or subsidiary	Types of main pollutants and characteristic pollutants	Names of main pollutants and characteristic pollutants	Emission mode	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards implemented	Total emission volume	Total approved emission volume	Excessive emission

Tianding feng Nonwovens Co., Ltd	Waste Gas	SO ₂ . nitrogen oxide. smoke	Organized emission through flue	3	The flue gas emission outlet is located in the flue gas discharge outlet of the boiler workshop	The SO ₂ emission concentration is 19.2 mg/m ³ ;The nitrogen oxide emission concentration is 53.2mg/m ³ ; The smoke emission concentration is 4.6 mg/m ³ ; which complies with the emission standard	<i>Emission Standard of Air Pollutants for Boilers of Shandong Province (DB37/2374-2018)</i>	SO ₂ 7.45 ton/year ; Nitrogen oxides 20.4 ton/year ; Smoke1.67 ton/year	SO ₂ 25.92 ton/year ; Nitrogen oxides 48.6 ton/year ; Smoke 5.53 ton/year	None
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Disposal of pollutants

During the reporting period, Tiandingfeng attached great importance to environmental protection and sustainable development, treated pollutants in accordance with relevant environmental protection regulations and standards, and maintained and regularly repaired environmental pollution control equipment in time. Waste gas in workshop is collected in an airtight manner and treated by filter cotton and UV photo-oxygen lamp tube or activated carbon; Blue carbon boiler is treated by ammonia denitrification, wet electric dust removal+electric bag dust removal, limestone-gypsum

method desulfurization, thus smoke meets ultra-low emission requirements; Domestic sewage is treated in septic tank and then discharged into the Linyi Qingping Sewage Treatment Plant whose emission is up to the standard; Tiandingfeng entrusts a qualified third party to legally dispose of the waste lubricating oil generated from the overhaul without causing pollution.

Environmental Self-Monitoring Program

Tiandingfeng Company completed the preparation of the *Contingency Plan for Environmental Emergencies of Tiandingfeng Nonwovens Co., Ltd.* in accordance with the standards and specifications and registered the same with the local environmental protection bureau under the registration number 371424-2022-025-L; the company also completed the preparation of the *Multi-Level Emergency Response Measures of Tiandingfeng Nonwovens Co., Ltd. for Heavy Pollution Weather* and registered the same with the local environmental protection bureau under the registration number ZWR2022-122.

Risk assessment: Tiandingfeng Company did not use dangerous chemical processes. It has installed automatic control valves and other automatic control facilities in relevant positions, and established strict operating procedures; substances potentially causing atmospheric (or water) environmental risk are mainly heat transfer oil, etc. They were stored and used in accordance with the specifications; the alarming devices, fire-control facilities and monitoring equipment for storage tanks and pipelines were complete; Necessary emergency materials were in position; there were environmental protection management units and personnel, and a complete environmental management and emergency management system with emergency personnel. Therefore, after implementing rectification measures, the company's environmental risks are controllable and acceptable.

Precautions:

1. Strengthen emergency preparedness, and inspect and maintain, on a regular basis (once a month), the emergency equipment of Tiandingfeng Company, such as surveillance cameras, transmission cables, monitors, explosion-proof emergency tools, liquid level gauges, etc., to ensure normal functioning of equipment, and regularly update emergency equipment as necessary.
2. Inspect and maintain the emergency facilities on a regularly basis (once every half year) to ensure that the facilities are in good condition.
3. Strictly check the qualification and certificates of transport vehicles and personnel to ensure safe unloading.
4. Strengthen institutional development and establish and improve the responsibilities and systems for all positions, and strengthen training, improve the environmental awareness of employees,

require staff members to pass relevant exams before taking their positions, so as to prevent human errors.

5. Carry out regular emergency drills and training and require all emergency personnel to familiarize themselves with their responsibilities and the actions and measures they should take in relation to emergency response, and to master the use of emergency equipment, and know well about basic knowledge of self-protection and first aid and rescue.

6. Register and keep record of hazardous substances and environmental risk sources, and conduct regular testing and evaluation. Strengthen the inspection and management of production facilities and storage sites, gain real-time knowledge of and collect information on the types and latest developments of environmental pollution sources in the work area within its authority, and put forward corresponding countermeasures and opinions.

7. Use products with reliable tightness and safety features, and carry out regular inspection and maintenance.

8. Prepare fire hydrants, sand, carbon dioxide fire extinguishers, trolley mounted foam (or dry powder) fire extinguishers, etc. and regularly inspect, maintain and replace them and keep the fire engine access clear.

9. Environmental Emergency Database

1) Establish a database of environmental risk substances and chemical substances that might cause abrupt environmental risk incidents, covering physical and chemical properties, storage data, leakage treatment methods, first aid treatment, hygiene standards and precautions.

2) Emergency Rescue Network System for Abrupt Environmental Incidents

Establish an emergency rescue network system for abrupt environmental incidents, including the communication network of emergency command centers, emergency offices and emergency groups. Keep communication with the abrupt environmental emergency response centers of the environmental protection bureaus of cities, districts and counties, which is conducive to timely consultation in the event of an accident, so as to provide technical guidance for accident rescue and reserve rescue materials at different levels.

Environmental self-monitoring program

Tiandingfeng Company has established a self-monitoring plan in accordance with the requirements of the "Pollution Discharge Permit", and regularly conducts self-monitoring of wastewater and waste gas according to laws and regulations at a frequency of 4 times per year. Through monitoring, all indicators meet the emission limits.

Relevant information on investment in environmental treatment and protection and payment of

environmental protection tax.

During the reporting period, Tiandingfeng Company increased the maintenance of environmental pollution control facilities and regular overhaul, and has sufficient inventory of photo-oxidation UV lamp and activated carbon required for environmental pollution control facilities, as well as ammonia and lime required for boiler exhaust gas treatment to ensure the stable operation of environmental protection facilities and equipment. The company strictly implemented the national and local tax requirements and regularly paid the environmental emission tax to ensure legal compliance.

Measures taken to reduce its carbon emissions during the reporting period and their effectiveness

Applicable Not applicable

The company unswervingly deepens the high-quality development path of ecological priority, green and low carbon, actively explores the path of green sustainable development. Integrate ecological conservation, environmental protection, comprehensive utilization of resources, energy conservation and emission reduction into businesses, strive to build a green manufacturing model, business model and management model covering the entire chain of R&D, production, technology, products and construction, fully foster a new engine of green development, so as to build an economical and environment-friendly enterprise.

The company has identified the types of greenhouse gas emissions during its production and operation, built an accounting system for greenhouse gas emissions, and collected and accounted its own carbon emissions. It also identified key links of carbon emission, actively take emission reduction measures, further develop carbon emission reduction technologies, so as to strive to reduce their own carbon emissions. During the reporting period, by adhering to the development concept of "low carbon and environmental protection, improving quality while reducing consumption", the company continuously strengthened energy management, integrated energy consumption into production and operation assessment management indicators, and promoted the gradual reduction of energy consumption in production links. The company has carried out the construction and application of water cycle, thermal cycle, air compressor transformation and other projects to improve energy efficiency. It also has gradually built distributed photovoltaic power generation and storage projects in various production, R&D and logistics bases across the country in a bid to raise the proportion of renewable energy. By the end of 2023, the company had built photovoltaic projects in 23 production plants, used 42 million kWh of green electricity annually to avoid greenhouse gas emissions of 23,700 tons of carbon dioxide equivalent. During the reporting period, the company's energy consumption such as electricity and natural gas further increased with

the total carbon emission at the operating level (scope 1-2) for the whole year standing at 687,200 tons of carbon dioxide equivalent.

The company implemented an innovative incentive mechanism to encourage employees to creatively carry out carbon emission reduction work, and reduce carbon emissions at the company's operational level through energy saving, equipment renovation and installation of renewable energy. The company has continued to study and develop low-carbon environmental protection products and services, for example, using low-carbon cementing materials to replace part of cement in tile adhesive, improving its performance so as to significantly reduce the carbon emission of those products. The company has also actively improved industrial intelligence, and successively introduced some intelligent equipment such as Hongxiang 855 polyurethane spraying machine, Hongxiang S series waterproof mortar spraying machine and "Dahongren" intelligent heat storage equipment, which can improve operation efficiency and quality, reduce labor costs, waste and pollution, as well as overall cost. It can also realize efficiency improvement, energy saving and emission reduction. The self-developed low-carbon technology of ceramic tile adhesive introduced mineral admixture to replace part of high-energy consumption cement, reducing the carbon emissions in the production process of ceramic tile adhesive. The company's patent "Dust-free technology of tile glue" can effectively reduce dust particles during the construction process, ensure the lung health of construction workers by improving the construction environment. In addition, the company has actively explored and developed low-carbon and energy-saving waterproof products and systems based on its own technical advantages and practices. Among them, Woniushan HEEC near-zero energy-consumption building system created an integrated EPC supply scheme for near-zero energy-consumption buildings by taking into account of shape coefficient control, light environment and wind environment simulation, overall energy consumption calculation, parts selection, and thermal bridge design, so as to effectively help buildings achieve energy conservation and emission reduction, and reduce greenhouse gas emissions and energy consumption. Space Fort Cold Roof System was based on waterproof products with several independent intellectual property rights. It has reduced indoor refrigeration energy consumption in summer by giving full play to the advantages of energy saving capabilities of waterproof layer and weather resistance of the said system. As the result, energy consumption has been reduced through the functions and characteristics of buildings. Yuhong Taohuayuan Anti-drainage and Water Storage System has realized the triple functions of waterproof, drainage and rainwater recycling through professional strengths such as zero-degree slope finding and anti-drainage, green carbon emission reduction and recycling, and built a low-carbon ecological sponge city. HCA-200 architectural reflective thermal

insulation coating is a product specially used for reflective thermal insulation of building peripheral structure surface, a product that can be widely used in building renovation and exterior wall decoration. This product can reflect mainly in high-energy infrared region, with low thermal conductivity and good thermal insulation performance, which can effectively reduce building temperature. Fuda's new product-FD ultra-low thermal conductivity insulation board adopted environment-friendly foaming agent technology, nano-graphite modification technology, unique extrusion foaming process and environment-friendly macromolecular flame retardant technology, which can be widely applied in energy-saving and insulation fields such as residential buildings, industrial buildings and cold chains and cold storage.

The company continues to improve its environmental management system, promote education and awareness of environmental protection, and promote environmental responsibility in the supply chain. It continues to take "green production and low-carbon environmental protection" as its management principle, and advances the regular, systematic and standardized environmental management so as to further quantify its environmental management performance and evaluate its environmental impact in concrete terms; the Company employs advanced techniques to reduce emissions and actively promotes the use of advanced pollutant treatment techniques and governance facilities such as Regenerative Thermal Oxidizer (RTO) in production and logistics bases, including energy-saving and emission reduction projects such as waste heat recovery from tail gas of moisture exhaust fans, VOC waste gas collection and treatment, and comprehensive wastewater purification and discharge; it actively promotes the application of clean energy and increases the deployment of rooftop distributed photovoltaic power generation and electricity storage projects in production and logistics bases. With the commitment of becoming a resource-saving and environment-friendly enterprise, adhering to the prioritized concept of carbon neutrality, the Company is making bold steps to develop new business models, and insisting on green management from the source; to achieve clean and green production sites, the Company has created green services through work-site standardized and intelligent operations, and various green technologies to construct green buildings, contributing with practical actions to the national climate action goals of "carbon peaking, carbon neutrality".

Administrative penalties for environmental issues during the reporting period

Company or subsidiary	Reason of Penalties	Violation	Penalty	Impact on the listed company	Rectification measures
None	None	None	None	None	None

Other environmental information that should be disclosed

No

Other information related to environmental protection

Guided by the green concept, the company builds Yuhong's green system (green design, green products, green factories, and green supply chain), and establishes and improves management objectives and assessment mechanisms for safety and environmental protection, energy conservation and emission reduction, and social responsibility. Xianyang, Puyang, Tangshan, Yueyang, Qingdao, and Xuzhou factories have passed grade A in the environmental performance classification assessment, and the investment in environmental protection facilities in new factories will also be implemented in accordance with grade A standards; the company follows the green factory standards of the Ministry of Industry and Information Technology and international management system standards As a basis, actively promote the quality, safety, environmental protection, occupational health, energy management and other work of each factory/production R&D logistics base, and have successively passed the quality management system certification, environmental management system certification, occupational health and safety management system certification, energy Management system certification, intellectual property management system certification, integration of industrialization and industrialization management system certification and measurement management system certification. Some of the company's products have been certified by EU CE products, CRRC (Cold Roofing Association) in the United States, EC1plus environmental protection certification in Germany, UKCA certification in Britain, USDA biological label certification, TV agency certification in Germany, environmental protection certification in Blue Angle in Germany, green product certification, environmental label product certification and green building materials product certification in China. In addition, Tangshan, Jinzhou, Huizhou, Kunming, Shanghai, Qingdao and other factories have also been awarded the title of "Green Factory" by the Ministry of Industry and Information Technology.

The company needs to comply with the disclosure requirements of non-metallic building materials related industries in the "Guidelines for Self-Regulatory Supervision of Listed Companies of Shenzhen Stock Exchange No. 3 - Industry Information Disclosure"

Information about environmental accidents in listed companies

No

II. Social Responsibility

The Company has formulated and disclosed the Sustainable Development Report 2023. For details, please refer to reports of Shenzhen Stock Exchange (<http://www.szse.cn>) and <http://www.cninfo.com.cn> on April 19, 2024.

III. Consolidation and Expansion of the Achievements in Poverty Alleviation and Rural Revitalization

The Company sticks to its mission of "building a durable and safe environment for human beings and the society", to continue to contribute to the construction of a better human settlement. In the aspect of consolidating and expanding the achievements in poverty alleviation and rural revitalization, the Company comprehensively promoted the implementation of relevant plans and measures at different levels, and actively integrated support for poverty alleviation and rural revitalization into the strategic development of the enterprise. We will start from some matters such as assistance to village, diagnosis and treatment of leakage, donation, humanistic care, post-disaster reconstruction, support for science and education, as well as launch a series of theme activities on a Environment Day. By doing so, we can fully practice corporate social responsibility.

Case 1: Participating in the Village & Enterprise Assistance Project

In April, 2023, Oriental Yuhong Vocational Skills Training School actively participated in the assistance activities organized by the Human Resources and Social Security Bureau of Shunyi District, Beijing. They went to Kezuozhongqi and Balinzuoqi in Chifeng City, Inner Mongolia for discussion on employment assistance, skills upgrading and vocational education cooperation. They also went to Wulanhada Village, Longchang Town, Balinzuoqi to express condolences to villagers and donate supplies for office purposes and daily materials to the village committee and villagers.

The company insisted on promoting the partnership between villages and enterprises to drive rural revitalization. Tangshan Factory carried out the "Green Enterprises Supporting Agriculture" picking activity in Nanxinhuang Village, and showed great care for the senior Party member in Nansunhuang Town with donated materials, and actively supported the assistance activities of the Youth League Committee in Fengnan District of Tangshan City, signed an agreement regarding village enterprises' assistance, and practiced in "Ten Thousand Enterprises Supporting Ten Thousand Villages" as well.

Case 2 "Serve the People by Providing Leak Free Service" public welfare Initiative is ongoing.

Leveraging its own business strength, the company has carried out the public welfare activities of "Serve the People by Providing Leak Free Service" for many years in a row, and provided special

waterproof maintenance services for the community free of charge. In 2023, the company gave lectures on building waterproof and plugging, and publicized waterproof professional knowledge in the wider community. It has carried out public welfare maintenance projects for housing leakage, special treatment for urban housing leakage in Fangshan District, Beijing, and leakage repair projects for the roofs covering more than 1,900 square meters residential house in 10 days. These were important deeds that was most pressing to community residents. Co-organized with Yuhong Home Service Chengdu Operation Center, the company aims to improve the professional and technical level of property enterprises in repairing existing buildings, detecting and managing water leakage, and so on.

Case 3: Do good deeds and make donations to bring love and warm.

Deaiwei, a subsidiary of the company, organized the "Colorful Childhood Happy June 1 Visit to the Anqu Primary School " activity. It prepared love gifts with great care and planned creative games to bring more joys to the children from the Anqu Primary School in Daliangshan, Sichuan province and the villagers around the school. This activity will surely help children to have a healthy and happy childhood.

The company launched the charity donation activity of "Bringing Love and Warmth" by donating materials such as clothes, books, toys and sporting goods to children aged 3-15 years old and local villagers in Nai Village, Mengsheng Town, Cangyuan County, Lincang City, Yunnan Province, to bring love and warmth to them.

In June, 2023, the company's Sand Powder Technology Group launched the activity of "Bringing Cool in a Sweltering Summer". They went to the construction site to send "gift packages" consisting of mineral water, watermelons, water cups, gloves and other heatstroke prevention and cooling items to the construction team.

In October, 2023, the company launched the E-FACTORY tour with the theme of "Happy Growth and Colorful Classroom", and invited teachers and students from Shaanxi Liquan Special Education School to Xianyang factory so as to have first-hand experience of company's corporate values embodying "truth, goodness and beauty" through activities such as donations, factory experience class and creative graffiti class.

In October, 2023, the company's Sand Powder Technology Group launched a charity walk of Yuhong Sand Powder Good People, and raised money to donate a love kitchen for children in poor mountainous areas by challenging the 32-kilometer charity walk.

Case 4 Sharing Weal and Woe and Rebuilding a Beautiful Home Together.

In August, 2023, many parts of the country were hit by torrential rains, causing floods to a varying

degree. The company's Sand Powder Technology Group donated more than 40 tons of sand powder products to Gaobeidian City, Hebei Province, Fangshan District, Beijing and other places where extreme rainfall occurred due to typhoon, for post-disaster reconstruction. At the same time, the company and its subsidiaries, such as Minjian Group and Deaiwei, lost no time in going to Mentougou district in Beijing and Zhuozhou city in Hebei Province to donate materials.

Sand Powder Technology Group, a subsidiary of the company, participated in the earthquake relief work in December 2023 and donated 238 materials to Jishishan County, Linxia Prefecture, Gansu Province, an activity that brought much warmth and inspired the people in those disaster-stricken areas.

Case 5 Supports science and education cause, support personnel training and scientific and technological innovation.

In September 2023, the donation ceremony was held in the lecture hall of Friends of Peking University under the auspices of Peking University education foundation. The donation was aimed at supporting the development of education in the College of Materials Science and Engineering, and better advancing its teaching, scientific research and personnel training.

Case 6: Carry out the theme activities of Environment Day to convey the concept of green and low-carbon environmental protection.

As one of the co-organizers, the company actively participated in the "Rainbow World& Green Environment" public welfare collection activities. On the one hand, it would create a good and comfortable living environment while promoting the recycling of resources through a series of activities such as garbage collection and classification. On the other hand, it would encourage more volunteers to work together for popularizing environmental science and advocating green development models and lifestyles.

Deaiwei Hangzhou Factory and Xiaya Central Primary School organized the theme activity of "Zero-carbon Environmental Protection Color Painting, Drawing A Beautiful Homeland" on the Environment Day. More than 20 teachers and students from Xiaya Primary School went to Deaiwei Hangzhou Factory, and learned more about green building materials products by visiting exhibition halls, green intelligent production workshops, graffiti and hand painting, as well as the green and low-carbon environmental protection concept. In addition, Tangshan factory, Qingdao factory, Xuzhou factory, Wuhu factory, Xianyang factory and other factories also organized or participated in different forms of theme environmental protection activities, and publicized environmental protection concepts and shared the company's environmental management experience by setting up publicity sites, distributing environmental protection publicity materials, and visiting communities



and schools.

Chapter VI Important Particulars

I. The Performance of Undertakings

1. The undertakings of the Company's controllers, Shareholders, related parties, buyers and the Company and other related parties performed during the Reporting Period and that continued to be valid as of the Period-end

Applicable Not applicable

Background of undertakings	Parties giving undertakings	Types of undertakings	Content of undertakings	Date of undertakings	Period of undertakings	Performance
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<p>IPO or seasoned equity offering</p>	<p>Li Weiguo</p>	<p>Undertakings related to horizontal competition, connected transactions and uses of funds</p>	<p>About horizontal competition: the Company's controlling shareholder Mr. Li Weiguo promised: "Neither I nor any other holding subsidiaries (hereinafter referred to as "other subsidiaries") that I invest in except Oriental Yuhong have invested in any company, enterprise, or operating entity that engage in the same or similar businesses as Oriental Yuhong, or have operated or operated on others' behalf the same or similar businesses as Oriental Yuhong;</p>	<p>January 8, 2008</p>	<p>Permanent</p>	<p>Ongoing strict performance</p>
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			<p>neither I nor my other subsidiaries conduct horizontal competition with Oriental Yuhong; I will not and will guarantee to urge my other subsidiaries not to invest in the same or similar production and operation as Oriental Yuhong, establish or acquire operational institutions including subsidiaries and branches that engage in the same or similar businesses as Oriental Yuhong in the future, or initiate, operate and develop or help initiate, operate and develop any</p>			
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			<p>business, enterprise, project or any other activities that directly compete with or may compete with Oriental Yuhong in business in onshore or offshore China, so as to avoid new potential direct or indirect competition with Oriental Yuhong on production and operation; Oriental Yuhong is entitled to the right to first transfer or produce new technologies and products that are relevant with Oriental Yuhong's production and operation, and that are either in-house developed by</p>			
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			<p>me or my other subsidiaries or introduced from abroad or co-developed with others; where I or my other subsidiaries propose to sell any other assets, businesses or equity related to the production and operation of Oriental Yuhong, Oriental Yuhong has the right to purchase first; I guarantee that I myself will, and my other subsidiaries, as urged by me, will offer terms which are no less favorable than those offered to any independent third parties when selling</p>			
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			<p>or transferring relevant assets or businesses.</p> <p>For any violations of the undertakings above, I am ready to bear the direct or indirect economic losses, liability for claims and additional expenses incurred to Oriental Yuhong or its other shareholders other than myself."</p>			
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	Beijing Oriental Yuhong Waterproof Technology Co.,Ltd.	Other undertakings	<p>The Board of Directors will strictly abide by the "Company Law", "Securities Law", "Administrative Measures for the Issuance of Securities by Listed Companies" and other laws and regulations as well as relevant CSRC regulations, and promise that starting from the date of listing of private placement shares: i. the Company will publish regular reports that are true, accurate, complete, fair and timely, disclose all information that has a significant impact on investors, and</p>	August 18, 2014	Permanent	Ongoing strict performance
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			<p>accept the supervision and administration of CSRC and Shenzhen Stock Exchange; ii. the Company will promptly release public clarification after noticing any misleading messages that may impact the stock price are circulated in any public media; iii. The directors, supervisors, and senior management of the company will carefully solicit input and criticism from the public and will not resort to any acquired inside information and other improper means to</p>			
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			directly or indirectly engage in the stock trading of the Company.			
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<p>Other undertakings to minority shareholders</p>	<p>The Company's directors and senior management Li Weiguo, Xu Limin, Xiang Jinming, Liu Bin (resigned), Zhang Ying, Zhang Hongtao, Yang Haocheng, Zhang Zhiping, Hu Xiaoyuan (resigned), Xian Yongbiao (resigned), Su Jinqi (resigned), Qu Peihua(resigned), Wang Wenping, Lei Li (resigned), Wang Xin (resigned), Xu Wei, Zhang Bei</p>	<p>Undertakings to take remediable measures for the dilution of current return as a result of issuance of convertible bonds</p>	<p>1. None of the benefits will be transferred to other entities or individuals without any compensation or on unfair terms, and no other means will be taken to damage the Company's interests. 2. Restrictions will be imposed for the position-related consumption. 3. None of the Company's assets will be used to engage in investment and consumption activities unrelated to the performance of duties. 4. The compensation system formulated by the Board or the</p>	<p>November 1, 2016</p>	<p>Permanent</p>	<p>Ongoing strict performance</p>
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			<p>Compensation Committee is linked to the implementation of the Company's remediable measures. 5. If the Company implements equity incentive in the future, the exercise conditions of the Company's equity incentive to be announced will be linked to the implementation of the Company's remediable measures. For any violations of the undertakings above that cause losses to the company or shareholders, I shall bear corresponding liabilities in accordance with the law.</p>			
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	<p>The Company's directors and senior management</p> <p>Li Weiguo, Xu Limin, Xiang Jinming, Zhang Zhiping, Zhang Ying, Zhang Hongtao, Yang Haocheng, Wang Xiaoxia, Cai Zhaoyun, Huang Qinglin, Chen Guangjin, Qu Peihua(resigned), Wang Wenping, Xu Wei, Zhang Bei</p>	<p>Undertakings to adopt remediable measures for the dilution of current returns as a result of issuance of private placement shares</p>	<p>1. Do not interfere with the Company's business management activities exceeding the position and encroach on the Company's interests; 2. From the date of the undertakings to the completion of the Company's current private placement of A shares, if the CSRC makes other new regulatory requirements for remediable measures and undertakings, and the above undertakings fail to meet the requirements of the CSRC, I promise that I will issue a supplementary commitment in accordance with the latest requirements</p>	<p>October 16, 2020</p>	<p>Permanent</p>	<p>Ongoing strict performance</p>
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			<p>of the CSRC. For any violations of or refusal to fulfill the undertakings above, I agree that regulatory authorities including the CSRC and SCE may impose relevant penalties on me or take relevant administrative measures in accordance with relevant regulations.</p>			
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	<p>The Company's controlling shareholder and de facto controller Li Weiguo</p>	<p>Undertakings to adopt remediable measures for the dilution of current returns as a result of issuance of private placement shares</p>	<p>1. Do not interfere with the Company's business management activities exceeding the position and encroach on the Company's interests; 2. From the date of the undertakings to the completion of the Company's current private placement of A shares, if the CSRC makes other new regulatory requirements for remediable measures and undertakings, and the above undertakings fail to meet the requirements of the CSRC, I promise that I will issue a supplementary commitment in accordance with the latest requirements</p>	<p>October 16, 2020</p>	<p>Permanent</p>	<p>Ongoing strict performance</p>
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			<p>of the CSRC. For any violations of or refusal to fulfill the undertakings above, I agree that regulatory authorities including the CSRC and SCE may impose relevant penalties on me or take relevant administrative measures in accordance with relevant regulations.</p>			
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	<p>All directors of the company are Li Weiguo, Xu Limin, Xiang Jinming, Zhang Zhiping, Zhang Ying, Zhang Hongtao, Yang Haocheng, Wang Xiaoxia, CAI Zhaoyun, Huang Qinglin, Chen Guangjin and Zhu Dongqing</p>	<p>Commitment that repurchasing shares will not damage the debt performance ability and sustainable operation ability of listed companies.</p>	<p>This share repurchase will not damage the debt performance ability and going concern ability of listed companies.</p>	<p>November 13th, 2023</p>	<p>It will not be more than 12 months since the 14th meeting of the 8th Board of Directors of the Company reviewed and approved this share repurchase plan on November 13th, 2023.</p>	<p>Ongoing strict performance</p>
<p>Other commitments</p>	<p>The Company's controlling shareholder and de facto controller Li Weiguo</p>	<p>Relevant commitments on the shareholding increase plan</p>	<p>Complete the shareholding increase plan within the implementation period of the shareholding increase plan, and do not reduce the company's shares during the increase in shareholding period and the statutory period</p>	<p>August 24, 2022</p>	<p>Within six months from August 24, 2022 and within the statutory non-reduction period</p>	<p>Ongoing strict performance</p>
<p>Timely performance of</p>	<p>Yes</p>					

undertakings	
Detailed specific reason for not fulfilling all undertakings within the due period (if any) and the plan for next steps shall be provided	N/A

2. If profitability is forecast for the Company's assets or projects and the reporting period is within profitability forecast period, the Company explains the assets or projects accounting for the original profitability forecast and its reasons.

Applicable Not applicable

II. Non-operating capital occupation of listed companies by controlling shareholders and stakeholders

Applicable Not applicable

During the reporting period of the Company, no non-operating capital occupation of listed company occurs by controlling shareholders and stakeholders.

III. Illegal External Guarantee

Applicable Not applicable

The Company did not have illegal external guarantee during the reporting period.

IV. Explanations of the Board of Directors on the Non-Standard Audit Report for the Last Period

Applicable Not applicable

V. Explanations of the Board of Directors, the Board of Supervisors, and independent directors (if any) on the Non-Standard Audit Report of the accounting firm during the reporting period

Applicable Not applicable

VI. Explanations of the changes in accounting policies, accounting estimates and material accounting error compared with the financial statement of the previous year

√ Applicable □ Not applicable

① *Interpretation of Accounting Standards for Business Enterprises No. 16*

On November 2022, the Ministry of Finance issued the *Interpretation of Accounting Standards for Business Enterprises No. 16* (Cai Kuai No. 31, hereinafter referred to as “*Interpretation No. 16*”)

According to the provisions of No.16, for a single transaction that doesn't fall into the scope of business merging, doesn't affect the accounting profit or taxable income (or deductible loss) in the process of transaction, and the initial confirmed assets and liabilities cause equal taxable temporary differences and deductible temporary differences, the corresponding deferred tax liabilities and deferred tax assets are recognized separately at the time of the transaction according to the Accounting Standards for Enterprises No.18-Income Tax and other relevant provisions. For the above-mentioned transactions that occurred between the beginning of the earliest period in which the above provisions were first implemented and the implementation date of this interpretation, the enterprise shall, in accordance with the above provisions, adjust the cumulative impact in line with opening retained earnings and other related financial statement items for the earliest period in which the financial statements are presented. The above accounting treatment provisions shall come into effect as of January 1, 2023.

If the Company has taxable temporary differences and deductible temporary differences in the lease liabilities and right-to-use assets confirmed in the lease business, as well as the estimated liabilities related to the confirmed abandonment obligations and the corresponding related assets, it shall make adjustments according to the provisions of Interpretation No.16.

The impact of the implementation of the above accounting policies on the consolidated balance sheet on December 31, 2023 and the consolidated income statement for 2023 is as follows:

Consolidated balance sheet items (December 31, 2023)	Impact Amount
Deferred tax assets	33,119,513.52
Deferred income tax liabilities	31,920,793.39
Surplus reserve	75,981.21



Consolidated balance sheet items (December 31, 2023)	Impact Amount
Undistributed profit	1,136,897.93
Minority interest	-14,159.01

Consolidated income statement items (Year 2023)	Impact Amount
Income tax expense	464,653.32
Net profit attributable to shareholders of parent company	-440,939.32
Minority shareholder gains and losses	-23,714.00

The impact of the implementation of the above accounting policies on the consolidated balance sheet on December 31, 2022 and the consolidated income statement for 2022 is as follows:

Consolidated balance sheet items (December 31, 2022)	Before adjustment	Adjusted amount	After adjustment
Deferred tax assets	697,047,337.37	34,993,282.69	732,040,620.06
Deferred income tax liabilities	10,532,512.91	33,329,909.24	43,862,422.15
Surplus reserves	543,827,204.85	44,907.49	543,872,112.34
Undistributed profits	14,120,949,080.02	1,608,910.97	14,122,557,990.99



Consolidated balance sheet items (December 31, 2022)	Before adjustment	Adjusted amount	After adjustment
Minority shareholders' equities	381,302,537.09	9,554.99	381,312,092.08

Consolidated income statement items (2022)	Before adjustment	Adjusted amount	After adjustment
Income tax expenses	485,551,157.18	-1,042,471.30	484,508,685.88
Net profit attributable to shareholders of the parent company	2,120,297,575.39	1,056,253.88	2,121,353,829.27
Minority shareholders' interests	-2,454,377.40	-13,782.58	-2,468,159.98

The impact of implementing the above accounting policies on the consolidated balance sheet as of January 1, 2022, is as follows:

Consolidated balance sheet items (January 1, 2022)	Before adjustment	Adjusted amount	After adjustment
Deferred tax assets	527,575,786.70	41,325,135.39	568,900,922.09
Deferred income tax liabilities	17,044,180.06	40,704,233.24	57,748,413.30
Surplus reserve	392,980,880.64	12,627.77	392,993,508.41

Consolidated balance sheet items (January 1, 2022)	Before adjustment	Adjusted amount	After adjustment
Undistributed profit	12,904,011,418.14	584,936.81	12,904,596,354.95
Minority Shareholders' interest	389,266,034.87	23,337.57	389,289,372.44

The cumulative effects of the above accounting policies are as follows:

Impacted projects	2023.12.31	2022.12.31
Initial net assets	-	1,663,373.45
In which: retained earning	-	1,653,818.46
Net profit	-464,653.32	1,056,253.88
Ending net worth	1,198,720.13	-
In which: retained earnings	1,212,879.14	-

(2) Changes in important accounting estimates

The Company has not made any significant changes in accounting estimates this year.

VII. Explanation of changes in the scope of consolidated statements, compared with financial statement of previous year

Applicable Not applicable

New entities including: Qingyuan Boyu Real Estate Investment Co., Ltd., Long Island Oriental Yuhong Waterproof Technology Co., Ltd., Wuhan Oriental Yuhong Jinghong Technology Engineering Co., Ltd., Oriental Yuhong Investment (Singapore) PTE.Ltd., Inner Mongolia Oriental Yuhong New Materials Co., Ltd., Oriental Yuhong Home Technology Co., Ltd. and Zhejiang Oriental Yuhong Waterproof Technology Co., Ltd..

This year, Sichuan Dongfang Yuhong Building Materials Co., Ltd. was merged with enterprises not under the same control.

Entities cancelled or dismissed this year: Zhejiang Oriental Yuhong Technology Development Co.,

Ltd. and Shanghai Weiertai New Materials Co., Ltd..

VIII. Appointment and dismissal of accounting firms

The accounting firms currently employed

Name of domestic accounting firm	Grant Thornton Certified Public Accountants (Special General Partnership)
Remuneration for domestic accounting firms (RMB10,000)	
Consecutive years of audit services from domestic accounting firms	17 years
Name of CPA in domestic accounting firm	Liang Yinan, Luo Xiangqiang
Consecutive years of CPA audit services from domestic accounting firms	Liang Yinan(5 years), Luo Xiangqiang(2 year)

Whether to change accounting firm in current period

Yes No

Employment of audit accounting firms under internal control, financial advisors or sponsors

Applicable Not applicable

During the reporting period, the company appointed Grant Thornton Certified Public Accountants (special general partnership) as the company's 2023 agent for annual financial and internally controlled audit. The above-mentioned service remuneration totaled RMB 3.6 million yuan as shown in the above table.

IX .Faced with delisting after disclosure of annual statement

Applicable Not applicable

X.Issues related to bankruptcy and reorganization

Applicable Not applicable

During the reporting period, no bankruptcy or reorganization related issues occur in the company.

XI. Major litigations and arbitrations

Applicable Not applicable

During the reporting period, no litigation or arbitration related issues occurred in the company.

XII. Penalties and rectifications

Applicable Not applicable

No penalties or rectifications occurred during the reporting period.

XIII. The credibility of the company and its controlling shareholders and actual controllers

Applicable Not applicable

XIV. Substantive affiliated transaction

1. Connected Transaction Related to Day-to-day Operations

Applicable Not applicable

Party of Connected Transaction	Association Relationship	The Types of Connected Transaction	The Content of Connected Transaction	Pricing Principle of Connected Transaction	Connected Transaction Price	Connected Transaction Amount (RMB 10,000)	Percentage in the Same Type of Transaction	Approved Transaction Amount	Exceeding the Approved Amount Yes/No	Settlement Method of Connected Transaction	The Market Price of Same Type of Transaction Available	Disclosure Date	Disclosure Index
Beijing GeoEnvironment Engineering & Technology, Inc.	Same Controller	Sell Goods and Provide Services	Material Sales and Engineering Construction	Adopt Fair and Just Market-based Principles	Market Price	4,193.14	0.12%	8,000	No	Bank Wire	0.419314million yuan	December 22, 2022	http://www.cninfo.com.cn

Beijing GeoEnviron Engineering & Technology, Inc.	Same Controller	Purchase Goods and Receive Services	Purchase Materials and Complete Sets of Equipment	Adopt Fair and Just Market-based Principles	Market Price	71,385.74	2.52%	81,000	No	Bank Wire	0.7138574 million yuan	December 22, 2022	http://www.cninfo.com.cn
Total				--	--	75,578.88	--	89,000	--	--	--	--	--
Details of Large Sales Return				No									
Actual performance during the reporting period (if any) of the estimated total amount of the upcoming day-to-day connected transactions in the current period by category				It is expected that the Company and its wholly-owned company sold products, provided labor services, purchased goods and received labor services to Beijing GeoEnviron Engineering & Technology, Inc. in 2023 with a total transaction volume of no more than RMB890 million yuan, and the actual total transaction amount stood at RMB755.7888million yuan(tax included) by 2023.									
Reasons for the Huge Gap Between the Transaction Price and Market Reference Price (If Applicable)				No									

2. Connected Transactions Occurred During the Acquisition and Sale of Assets or Shares

Applicable Not applicable

No connected transaction of the acquisition and sale of assets or shares occurred during the reporting period.

3. Connected Transaction for Joint Foreign Investment

Applicable Not applicable

No connected transaction of joint foreign investment occurred during the reporting period.

4. Associated Rights of Credit And Liabilities

Applicable Not applicable

No associated rights of credit and liabilities occurred in the Company's reporting period.

5. Transactions with Related Financial Companies

Applicable Not Applicable

There is no deposit, loan, credit or other financial business between the Company and related financial companies and other related parties.

6. Transactions between Financial Companies Controlled by the Company and Related Parties

Applicable Not Applicable

There is no deposit, loan, credit or other financial business between financial companies controlled by the Company and related parties.

7. Other Significant Related Transactions

Applicable Not Applicable

During the reporting period, the Company had no other significant related transactions.

XV. Major Contracts and Their Performance

1. Trust, Contract and Lease Items

(1) Trust

Applicable Not applicable

No trust occurred in the reporting period.

(2) Contract

Applicable Not applicable

No contract occurred in the reporting period.

(3) Lease

Applicable Not applicable

No lease occurred in the reporting period.

2. Major Guarantee

Applicable Not applicable

Unit: RMB10,000

External guarantees of the Company and its subsidiaries (excluding guarantees provided to subsidiaries)

Name of the guarantee object	Disclosure date of guarantee amount's relevant announcement	Guarantee amount		Actual date of guarantee	Actual guarantee amount	Guarantee Type	Guarantee (if any)	Counter-guarantee situation (if any)	Guarantee Period	Fulfillment Yes/No
Ningbo Yuhong Waterproof Technology Co.,Ltd	2021/11/20	4,000		44,518		Joint liability guarantee		Three Years	No	No
Zhejiang Yuqing Waterproof Technology Co., Ltd.	2021/11/20	4,000		44,518		Joint liability guarantee		Three Years	No	No
Hangzhou Zhiyoumei Construction Engineering Co.,LTD.	2023/03/15	500		44,999		Joint liability guarantee		Three Years	No	No
Jiande Yuhong Waterproof Technology	2023/03/15	1,000		44,999		Joint liability guarantee		Three Years	No	No



Co.,Ltd										
Hunan Qinglong Building Materials Co., Ltd.	2022/04/14	250		44,664		Joint liability guarantee		Three Years	No	No
Hunan Hechuang Construction Co., Ltd.	2022/04/14	250		44,664		Joint liability guarantee		Three Years	No	No
Hunan Youyoule Construction Labor Service Co., Ltd.	2022/04/14	250		44,664		Joint liability guarantee		Three Years	No	No



Hunan Jufeng Construction Engineering Co., Ltd.	2022/04/14	100		44,664		Joint liability guarantee		Three Years	No	No
Hunan Fangbao Coating Building Materials Co., Ltd.	2022/04/14	500		44,664		Joint liability guarantee		Three Years	No	No
Hunan Meichuang System Door & Window Co., Ltd.	2022/04/14	300		44,664		Joint liability guarantee		Three Years	No	No
Hunan Yuhong Construction Engineering Co., Ltd.	2022/04/14	1,000		44,665		Joint liability guarantee		Three Years	No	No



Hunan Tongrui cheng Buildin g Material s Co., Ltd.	2022/04/ 14	400		44,665		Joint liability guarante e		Three Years	No	No
Hunan Tuotian Buildin g Material s Technol ogy Co., Ltd.	2022/04/ 14	1,000		44,665		Joint liability guarante e		Three Years	No	No
Hunan Xingya o Waterpr oof Enginee ring Co., Ltd.	2022/04/ 14	300		44,665		Joint liability guarante e		Three Years	No	No
Huaihua Jieli Constru ction Enginee ring Co., Ltd.	2022/04/ 14	300		44,665		Joint liability guarante e		Three Years	No	No



Hengyang Yueda Waterproof Engineering Co., Ltd	2022/04/14	300		44,665		Joint liability guarantee		Three Years	No	No
Chengdu Juxiangyi Building Engineering Co., Ltd	2021/11/27	100		44,526		Joint liability guarantee		Three Years	No	No
Sichuan Haoyi Architectural Engineering Co., Ltd.	2021/11/27	200		44,526		Joint liability guarantee		Three Years	No	No
Sichuan Shenghui Hengbo Waterproof of Engineering Co., Ltd.	2021/11/27	42.5		44,526		Joint liability guarantee		Three Years	No	No



Sichuan Hongren Waterproof Engineering Co., Ltd	2021/11/ 27	100		44,526		Joint liability guarante e		Three Years	No	No
Baisite (Chong qing) Constru ction Enginee ring Co., Ltd.	2021/11/ 27	80		44,526		Joint liability guarante e		Three Years	No	No
Chengd u Juxiang yi Buildin g Enginee ring Co., Ltd	2022/12/ 14	500		44,908		Joint liability guarante e		Three Years	No	No
Shenzhe n Huazhi Purifica tion Technol ogy Co., Ltd.	2021/12/ 30	300		44,559		Joint liability guarante e		Three Years	No	No



Shenzhen Huazhi Purification Technology Co., Ltd.	2021/12/ 30	400		44,559		Joint liability guarante e		Three Years	No	No
Huizhou Xinpan Waterproof Engineering Co., Ltd.	2021/12/ 30	200		44,559		Joint liability guarante e		Three Years	No	No
Hunan Tuotian Building Materials Technology Co., Ltd.	2021/12/ 30	880		44,559		Joint liability guarante e		Three Years	No	No
Hunan Meichuang System Door & Window Co.,	2021/12/ 30	290		44,559		Joint liability guarante e		Three Years	No	No

Ltd.										
Hunan Hechuan Construction Co., Ltd.	2021/12/30	250		44,559		Joint liability guarantee		Three Years	No	No
Hunan Qinglong Building Materials Co., Ltd.	2021/12/30	150		44,559		Joint liability guarantee		Three Years	No	No
Hunan Youyoule Construction Labor Service Co., Ltd.	2021/12/30	150		44,559		Joint liability guarantee		Three Years	No	No



Dongguan Hongyangu Culture Communication Co., Ltd.	2021/12/30	450		44,559		Joint liability guarantee		Three Years	No	No
Hubei Yunuo Construction Waterproof Engineering Co., Ltd.	2021/12/30	1,000		44,559		Joint liability guarantee		Three Years	No	No
Baisite (Chongqing) Construction Engineering Co., Ltd.	2021/12/30	80		44,559		Joint liability guarantee		Three Years	No	No



Huizhou Min'an Waterproof and Thermal Insulation Technology Co., Ltd.	2021/12/30	100		44,559		Joint liability guarantee		Three Years	No	No
Huizhou Shanxiu Construction Engineering Co., Ltd.	2021/12/30	60		44,559		Joint liability guarantee		Three Years	No	No
Zhuhai Deerzhong Building Materials Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No



Shanghai Duwei Building Waterproof Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Zhejiang Yuqing Waterproof Technology Co., Ltd	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Ningbo Yuhong Waterproof Technology Co., Ltd	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Hangzhou Yueyan Waterproof Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No



Zhejiang Hongya Building Waterproof Decorative Engineering Co., Ltd.	2022/04/ 02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Zhejiang Yuanqi Waterproof Engineering Co., Ltd.	2022/04/ 02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Shaanxi Qin Jinyang Construction Engineering Co., Ltd.	2022/04/ 02	1,000		44,652		Joint liability guarantee		Two Years	No	No



Xi'an Youcha o Waterpr oof Technol ogy Co., Ltd.	2022/04/ 02	1,000		44,652		Joint liability guarante e		Two Years	No	No
Binzhou Oriental Yuhong Waterpr oof Enginee ring Co., Ltd.	2022/04/ 02	1,000		44,652		Joint liability guarante e		Two Years	No	No
Dongyi ng Aoli Waterpr oof Enginee ring Co., Ltd.	2022/04/ 02	1,000		44,652		Joint liability guarante e		Two Years	No	No
Dongyi ng Chiyon g Buildin g Material s Co., Ltd.	2022/04/ 02	1,000		44,652		Joint liability guarante e		Two Years	No	No



Dongying Oriental Yuhong Waterproof Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Guangdong Yuhao House Repair Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Heze Oriental Yuhong Waterproof Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Jining Andu Construction Service Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No



Jiaozuo Yuhong Construction Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Lanling Houbo Construction Waterproof Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Linyi Feiya Construction Engineering installation Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Linyi Jinmiao Waterproof Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No



Linyi Wenpeng Waterproof Material Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Linyi Zhongbao Waterproof and Thermal Insulation Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Qufu Keneng Construction Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Xiamen Ririsheng Building Materials Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No



Shandong Jiexika Information Technology Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Shandong Jinkaisheng Waterproof Building Materials Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Shandong Jinghe Waterproof Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No



Shandong Senrui Construction Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Shandong Boxing Bochen New Material Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Shandong Yitai Waterproof Technology Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Shougang Hengmiao Economic and Trade Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No

Weifang Luyi Hongyuan Waterproof Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Xintai Yixin Waterproof Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Yantai Gaojun Waterproof and Thermal Insulation Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Zaozhuang Oriental Yuhong Construction Co.,	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No



Ltd.										
Zaozhuang Runhong Building Materials Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Zhongchi Engineering Technology Co., Ltd. Zaozhuang Branch	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Zibo Jinhong Waterproof Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No



Shaanxi Gaoduan Waterproof Technology Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Xinjiang Tianluhe Trading Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Binzhou Huikai Construction Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
The third branch of Jiangsu Dibang Construction Engineering	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No



Co., Ltd.										
Liaocheng Chengyu Building Materials Co., Ltd.	2022/04/ 02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Linyi Oriental Yuhong Waterproof Engineering Co., Ltd.	2022/04/ 02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Linyi Xinda Waterproof Engineering Co., Ltd.	2022/04/ 02	1,000		44,652		Joint liability guarantee		Two Years	No	No



Longkou Hongqiao International Trade Co., Ltd.	2022/04/ 02	1,000		44,652		Joint liability guarante e		Two Years	No	No
Hangzhou Xiaoteng Waterproof Material Co., Ltd.	2022/04/ 02	1,000		44,652		Joint liability guarante e		Two Years	No	No
Tianchang Xiaoxi Building Waterproof Engineering Co., Ltd.	2022/04/ 02	1,000		44,652		Joint liability guarante e		Two Years	No	No



Jingmen Oriental Yuhong Waterproof Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Chengdu Juxiangyi Building Engineering Co., Ltd	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Chengdu Hongtu Waterproof Engineering Co., Ltd	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Sichuan Hongren Waterproof Engineering Co., Ltd	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No



Shandong Ruilong Anticorrosion & Waterproof of Material Co. Ltd	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Zhejiang Weiyi Waterproof and Thermal Insulation Engineering Co. Ltd	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Zhejiang Zhongkun Building Materials Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Huizhou Min'an Waterproof and Thermal Insulation Technology Co. Ltd	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Jinan Huakun Trade Co. Ltd	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No



Shenzhen Zhihe Engineering Co. Ltd	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Sichuan Jinjiangzhongcheng Construction Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Huizhou Xinpan Waterproof Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Huizhou Yixin Waterproof Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No



Hangzhou Yunlang Construction Waterproof Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Fujian Century Jian'an Engineering Co. Ltd	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Hubei Fuyi Building Material Co. Ltd Hunan Branch	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Zhejiang Dingjian Construction Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Shenzhen Huazhi Purification Technology Co.,	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No



Ltd.										
Zhejiang Heju Building Technology Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Hubei Yunuo Building Waterproofing Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Zhuhai Zhuobao Construction Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Chongqing Kangteng Construction Engineering Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No



Huizhou Henghua Decoration Engineering Co., Ltd	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Chengdu Yongshuntai Waterproofing Engineering Co., Ltd. Longquanyi Branch	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Zhejiang Henghe Zhiye Construction Technology Co., Ltd	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Hunan Meichuang System Doors and Windows Co., Ltd.	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No
Zhongxu Waterproof Engineering Co.,	2022/04/02	1,000		44,652		Joint liability guarantee		Two Years	No	No



Ltd.										
Qingdao Hengchangze Construction Engineering Co., Ltd.	2022/11/19	500		44,883		Joint liability guarantee		Three Years	No	No
Qingdao Yehuan Waterproof Engineering Co., Ltd.	2022/11/19	700		44,883		Joint liability guarantee		Three Years	No	No
Qingdao Bohongyu Engineering Co., Ltd.	2022/11/19	200		44,883		Joint liability guarantee		Three Years	No	No



Shandong Xinghua Waterproof and Insulation Engineering Co., Ltd.	2022/11/19	800		44,883		Joint liability guarantee		Three Years	No	No
Qingdao Yehuanda Waterproof of Engineering Co., Ltd.	2022/11/19	1,000		44,883		Joint liability guarantee		Three Years	No	No
Qingdao Hengchangze Construction Engineering Co., Ltd.	2021/12/16	500		44,546		Joint liability guarantee		Three Years	No	No
Ningbo Yuhong Waterproof Technology Co., Ltd.	2022/12/14	3,000		44,921		Joint liability guarantee		Three Years	No	No



Zhejiang Yuqing Waterproof Technology Co., Ltd.	2020/12/26	3,000		44,191		Joint liability guarantee		Three Years	No	No
Ningbo Yuhong Waterproof Technology Co., Ltd	2022/12/14	3,000		44,908		Joint liability guarantee		Two years	No	No
Zhejiang Yuqing Waterproof Technology Co., Ltd.	2021/09/14	1,500		44,453		Joint liability guarantee		Three Years	No	No
Ningbo Yuhong Waterproof Technology Co., Ltd	2022/12/14	5,500		44,908		Joint liability guarantee		Three Years	No	No

Ganzhou Runbang Construction Materials Co., Ltd.	2021/11/27	300		44,526		Joint liability guarantee		Three Years	No	No
Ganzhou Yongcheng Waterproof Engineering Co., Ltd.	2021/11/27	150		44,526		Joint liability guarantee		Three Years	No	No
Ganzhou Jiayu Waterproof Engineering Co., Ltd.	2021/11/27	100		44,526		Joint liability guarantee		Three Years	No	No
Jiangxi Wofei Construction Engineering Co., Ltd.	2021/09/14	500		44,453		Joint liability guarantee		Three Years	No	No



Jiangxi Hongbao Waterproofing Engineering Co., Ltd	2021/09/14	500		44,453		Joint liability guarantee		Three Years	No	No
Nanchang Zhongjia Industrial Development Co., Ltd	2021/09/14	500		44,453		Joint liability guarantee		Three Years	No	No
Jiangxi Caihong Environmental Technology Co., Ltd.	2021/12/25	500		44,555		Joint liability guarantee		Three Years	No	No
Jiangxi Baishun Junming Construction Engineering Co. LTD	2021/09/14	150		44,453		Joint liability guarantee		Three Years	No	No
Nancheng Wuyou Waterproof Engineering Co. LTD	2021/09/14	50		44,453		Joint liability guarantee		Three Years	No	No



Ganzhou Jinlei Waterproof Engineering Co., Ltd.	2021/11/ 27	50		44,526		Joint liability guarante e		Three Years	No	No
Hainan Miaoshou Waterproof Finishing Engineering Co., Ltd.	2021/12/ 16	100.64		44,546		Joint liability guarante e		Three Years	No	No
JiangxiYan ghe Building Materials Co., Ltd.	2021/12/ 30	360		44,560		Joint liability guarante e		Three Years	No	No
Jiangxi GENSHE NG WATERP ROOF ENGINE ERING Co. LTD	2021/12/ 30	360		44,560		Joint liability guarante e		Three Years	No	No
Hubei Donghong Construct ion Technolo gy Co. LTD	2023/03/ 15	462		44,999		Joint liability guarante e		Three Years	No	No



Hunan Zefan Construction Engineering Co. LTD	2023/03/15	200		44,999		Joint liability guarantee		Three Years	No	No
Guizhou Xinchengde Construction Engineering Co. LTD	2023/03/15	130		44,999		Joint liability guarantee		Three Years	No	No
Hangzhou Xiaoteng Waterproof of Material Co. LTD	2023/03/15	160		44,999		Joint liability guarantee		Three Years	No	No
Hunan Tuotian Building Material Technology Co. LTD	2023/03/15	1,000		44,999		Joint liability guarantee		Three Years	No	No
Guizhou Hongjiang Building Materials Co. LTD	2023/03/15	650		44,999		Joint liability guarantee		Three Years	No	No
Hunan Jufeng Construction Engineering Co.,	2023/03/15	815		44,999		Joint liability guarantee		Three Years	No	No



Ltd										
Jinmen Oriental Yuhong Building Materials Co., Ltd.	2023/03/15	988.84		44,999		Joint liability guarantee		Three Years	No	No
Guizhou Junhua Building Materials Co., Ltd.	2023/03/15	400		44,999		Joint liability guarantee		Three Years	No	No
Wuxi Oriental Yuhong Waterproof Engineering Co., Ltd.	2023/03/15	998.4		44,999		Joint liability guarantee		Three Years	No	No



Shenzhen Huazhi Purification Technology Co., Ltd.	2023/03/ 15	227.58		44,999		Joint liability guarantee		Three Years	No	No
Anhui Lingrui Construction Engineering Co., Ltd.	2023/03/ 15	680.77		44,999		Joint liability guarantee		Three Years	No	No
Hangzhou Yueyan g waterproof of Engineering Co., Ltd.	2023/03/ 15	1,000		44,999		Joint liability guarantee		Three Years	No	No
Ningbo Yuhong Waterproof Technology Co., Ltd.	2023/03/ 15	1,000		44,999		Joint liability guarantee		Three Years	No	No



Zhejiang Yuqing Waterproof Technology Co., Ltd.	2023/03/15	1,000		44,999		Joint liability guarantee		Three Years	No	No
Longkou Hongqiao International Trade Co., Ltd.	2023/03/15	800		44,999		Joint liability guarantee		Three Years	No	No
Zhejiang Dingjia Construction Engineering Co., Ltd.	2023/03/15	1,000		44,999		Joint liability guarantee		Three Years	No	No
Hangzhou Yunlang Construction Waterproof Engineering Co., Ltd.	2023/03/15	500		44,999		Joint liability guarantee		Three Years	No	No



Shanghai Duwei Construction Waterproof Engineering Co., Ltd.	2023/03/15	735.24		44,999		Joint liability guarantee		Three Years	No	No
Shanghai Yuguang Material Technology Co., Ltd.	2023/03/15	300		44,999		Joint liability guarantee		Three Years	No	No
Chongqing Guxinjie Building Materials Co. LTD	2023/11/14	44		45,243		Joint liability guarantee		Three Years	No	No
Shanghai Duwei Construction Waterproof Engineering Co., Ltd.	2023/03/15	600		44,999		Joint liability guarantee		Three Years	No	No
Total amount of external Guarantee approved in the reporting period (A1)			1,000,000	Total actual amount of external guarantee in the reporting period (A2)						12,524.35

amount of external guarantee approved by the end of the reporting period (A3)		1,000,000	Total actual balance of external guarantee by the end of the reporting period (A4)		34,500.85					
Guarantee provided by the Company to its subsidiaries										
Name of the guarantee object	Disclosure date of guarantee amount's relevant announcement	Guarantee amount		Actual date of guarantee	Actual guarantee amount	Guarantee Type	Guarantee (if any)	Counter-guarantee situation (if any)	Guarantee Period	Fulfillment Yes/No
Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	2021/12/11	5,000	2021/12/11	241.47	Joint liability guarantee			Three Years	No	YES
Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	2021/10/27	10,000	2021/10/27	10,000	Joint liability guarantee			Three Years	No	Yes



Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	2021/08/31	5,000	2021/08/31	262.65	Joint liability guarantee			Three Years	No	Yes
Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	2023/11/15	10,000	2023/11/14	0	Joint liability guarantee			Three Years	No	Yes
Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	2022/09/09	40,500	2022/09/08	12,013.63	Joint liability guarantee			Three Years	No	Yes
Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	2022/09/09	23,000	2022/09/08	16,000	Joint liability guarantee			Three Years	No	Yes



Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	2023/01/17	13,000	2023/01/16	0	Joint liability guarantee			Three Years	No	Yes
Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	2023/11/15	6,500	2023/11/14	0	Joint liability guarantee			Three Years	No	Yes
Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	2022/07/21	5,000	2022/07/20	2,000	Joint liability guarantee			Three Years	No	Yes
Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	2022/11/19	10,000	2022/11/18	0	Joint liability guarantee			Two Years	No	Yes



Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	2022/11/19	11,000	2022/11/18	0	Joint liability guarantee			Three Years	No	Yes
Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	2023/04/28	15,000	2023/04/27	10,000	Joint liability guarantee			Three Years	No	Yes
Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	2023/10/25	20,000	2023/10/24	2,400	Joint liability guarantee			Three Years	No	Yes
Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	2021/12/11	2,000	2021/12/11	374.48	Joint liability guarantee			Three Years	No	Yes



Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	2021/11/20	5,400	2021/11/20	52.29	Joint liability guarantee			Three Years	No	Yes
Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	2023/11/15	5,200	2023/11/14	26.36	Joint liability guarantee			Three Years	No	Yes
Jinmen Oriental Yuhong Building Materials Co., Ltd.	2021/08/14	20,000	2021/08/14	12,000	Joint liability guarantee			Three Years	No	Yes
Jinmen Oriental Yuhong Building Materials Co., Ltd.	2022/05/27	35,000	2022/05/26	15,000	Joint liability guarantee			Three Years	No	Yes



Jinmen Oriental Yuhong Building Materials Co., Ltd.	2023/10/25	8,800	2023/10/24	8,000	Joint liability guarantee			Three Years	No	Yes
Jinmen Oriental Yuhong Building Materials Co., Ltd.	2022/05/24	24,000	2022/05/23	10,000	Joint liability guarantee			Three Years	No	Yes
Jinmen Oriental Yuhong Building Materials Co., Ltd.	2022/12/06	2,000	2022/12/05	0	Joint liability guarantee			Three Years	No	Yes
Jinmen Oriental Yuhong Building Materials Co., Ltd.	2022/09/09	20,000	2022/09/08	0	Joint liability guarantee			Three Years	No	Yes
Hangzhou Oriental Yuhong Building Materials Co., Ltd.	2021/12/04	11,000	2021/12/03	0	Joint liability guarantee			Three Years	No	Yes



Hangzhou Oriental Yuhong Building Materials Co., Ltd.	2021/10/27	10,000	2021/10/26	0	Joint liability guarantee			Three Years	No	Yes
Hangzhou Oriental Yuhong Building Materials Co., Ltd.	2022/09/09	33,000	2022/09/08	0	Joint liability guarantee			Three Years	No	Yes
Hangzhou Oriental Yuhong Building Materials Co., Ltd.	2022/09/09	5,000	2022/09/08	0	Joint liability guarantee			Three Years	No	Yes
Hangzhou Oriental Yuhong Building Materials Co., Ltd.	2023/03/04	10,000	2023/03/03	10,000	Joint liability guarantee			Three Years	No	Yes

Hangzhou Oriental Yuhong Building Materials Co., Ltd.	2023/03/15	10,000	2023/03/14	0	Joint liability guarantee			Three Years	No	Yes
Hangzhou Oriental Yuhong Building Materials Co., Ltd.	2021/03/05	21,000	2021/03/04	20,000	Joint liability guarantee			Three Years	No	Yes
Hangzhou Oriental Yuhong Building Materials Co., Ltd.	2022/01/15	30,000	2022/01/14	12,000	Joint liability guarantee			Three Years	No	Yes
Xuzhou Wone Newsung New Waterproof Material Co., Ltd.	2023/06/03	8,000	2023/06/02	8,000	Joint liability guarantee			Three Years	No	Yes



Xuzhou Wonewsung New Waterproof Materials Co., Ltd.	2023/08/19	5,000	2023/08/18	5,000	Joint liability guarantee			Three Years	No	Yes
Xuzhou Wonewsung New Waterproof Materials Co., Ltd.	2022/12/06	3,000	2022/12/05	88.05	Joint liability guarantee			Three Years	No	Yes
Xuzhou Wonewsung New Waterproof Materials Co., Ltd.	2022/10/22	8,000	2022/10/21	8,000	Joint liability guarantee			Two years	No	Yes
Wuhu Oriental Yuhong Building Materials Co., Ltd.	2021/12/30	24,000	2021/12/29	20,000	Joint liability guarantee			Three Years	No	Yes



Wuhu Oriental Yuhong Building Materials Co., Ltd.	2021/12/25	8,000	2021/12/24	0	Joint liability guarantee			Three Years	No	Yes
Wuhu Oriental Yuhong Building Materials Co., Ltd.	2023/03/15	7,000	2023/03/14	0	Joint liability guarantee			Three Years	No	Yes
Wuhu Oriental Yuhong Building Materials Co., Ltd.	2023/08/19	4,900	2023/08/18	4,900	Joint liability guarantee			Three Years	No	Yes
Wuhu Oriental Yuhong Building Materials Co., Ltd.	2021/10/27	5,000	2021/10/26	3,700	Joint liability guarantee			Three Years	No	Yes
Wuhu Oriental Yuhong Building Materials Co., Ltd.	2023/06/03	10,000	2023/06/02	0	Joint liability guarantee			Three Years	No	Yes



Wuhu Oriental Yuhong Building Materials Co., Ltd.	2022/06/16	13,200	2022/06/15	10,400	Joint liability guarantee			Three Years	No	Yes
Wuhu Oriental Yuhong Building Materials Co., Ltd.	2022/05/14	6,000	2022/05/13	0	Joint liability guarantee			Three Years	No	Yes
Wuhu Oriental Yuhong Building Materials Co., Ltd.	2023/06/03	10,000	2023/06/02	0	Joint liability guarantee			Three Years	No	Yes
Shenzhen Oriental Yuhong Waterproof Technology Co., Ltd.	2021/12/30	7,000	2021/12/29	5,000	Joint liability guarantee			Three Years	No	Yes



Shenzhen Oriental Yuhong Waterproof Technology Co., Ltd.	2023/04/01	3,000	2023/03/31	2,400	Joint liability guarantee			Three Years	No	Yes
Shenzhen Oriental Yuhong Waterproof Technology Co., Ltd.	2023/01/17	10,000	2023/01/16	5,000	Joint liability guarantee			Three Years	No	Yes
Shenzhen Oriental Yuhong Waterproof Technology Co., Ltd.	2022/11/19	5,000	2022/11/18	2,000	Joint liability guarantee			Three Years	No	Yes
Shenzhen Oriental Yuhong Waterproof Technology Co., Ltd.	2023/10/25	3,000	2023/10/24	0	Joint liability guarantee			Three Years	No	Yes



Tangshan Oriental Yuhong Waterproof Technology Co., Ltd.	2023/11/15	8,500	2023/11/14	8,000	Joint liability guarantee			Three Years	No	Yes
Tangshan Oriental Yuhong Waterproof Technology Co., Ltd.	2023/08/19	8,000	2023/08/18	0	Joint liability guarantee			Three Years	No	Yes
Tangshan Oriental Yuhong Waterproof Technology Co., Ltd.	2022/06/16	30,000	2022/06/15	0	Joint liability guarantee			Three Years	No	Yes
Tangshan Oriental Yuhong Waterproof Technology Co., Ltd.	2022/12/06	5,000	2022/12/05	0	Joint liability guarantee			Three Years	No	Yes



Tangshan Oriental Yuhong Waterproof Technology Co., Ltd.	2023/03/15	10,000	2023/03/14	0	Joint liability guarantee			Three Years	No	Yes
Tangshan Oriental Yuhong Waterproof Technology Co., Ltd.	2023/05/17	5,000	2023/05/16	5,000	Joint liability guarantee			Three Years	No	Yes
Qingdao Oriental Yuhong Building Materials Co., Ltd.	2021/11/20	10,000	2021/11/19	0	Joint liability guarantee			Three Years	No	Yes
Qingdao Oriental Yuhong Building Materials Co., Ltd.	2021/08/21	8,800	2021/08/20	0	Joint liability guarantee			Three Years	No	Yes



Qingdao Oriental Yuhong Building Materials Co., Ltd.	2021/07/03	22,000	2021/07/02	0	Joint liability guarantee			Three Years	No	Yes
Qingdao Oriental Yuhong Building Materials Co., Ltd.	2023/03/15	7,500	2023/03/14	0	Joint liability guarantee			Three Years	No	Yes
Qingdao Oriental Yuhong Building Materials Co., Ltd.	2023/11/15	15,000	2023/11/14	0	Joint liability guarantee			Three Years	No	Yes
Qingdao Oriental Yuhong Building Materials Co., Ltd.	2022/08/03	33,000	2022/08/02	10,000	Joint liability guarantee			Three Years	No	Yes
Qingdao Oriental Yuhong Building Materials Co., Ltd.	2022/05/24	13,500	2022/05/23	0	Joint liability guarantee			Three Years	No	Yes



Qingdao Oriental Yuhong Building Materials Co., Ltd.	2022/07/21	10,000	2022/07/20	0	Joint liability guarantee			Three Years	No	Yes
Qingdao Oriental Yuhong Building Materials Co., Ltd.	2022/03/19	20,000	2022/03/18	0	Joint liability guarantee			Three Years	No	Yes
Qingdao Oriental Yuhong Building Materials Co., Ltd.	2023/11/15	8,000	2023/11/14	0	Joint liability guarantee			Three Years	No	Yes
Tianjin Hongzhi New Material Co., Ltd.	2021/11/20	31,945	2021/11/19	10,000	Joint liability guarantee			Three Years	No	Yes
Tianjin Hongzhi New Material Co., Ltd.	2023/05/05	10,000	2023/05/06	1,000	Joint liability guarantee			Three Years	No	Yes



Yueyang Oriental Yuhong Waterproof Technology Co. Ltd.	2022/04/23	10,000	2022/04/22	0	Joint liability guarantee			Three Years	No	Yes
Yueyang Oriental Yuhong Waterproof Technology Co. Ltd.	2019/03/28	40,000	2020/03/11	44,859.17	Joint liability guarantee			Three Years	No	Yes
Yueyang Oriental Yuhong Waterproof Technology Co. Ltd.	2023/04/28	20,000	2023/04/27	8,000	Joint liability guarantee			Two years	No	Yes
Huizhou Oriental Yuhong Building Materials Co., Ltd.	2022/10/22	20,500	2022/10/21	100	Joint liability guarantee			Three Years	No	Yes



Huizhou Oriental Yuhong Building Materials Co., Ltd.	2021/02/02	59,000	2021/02/01	0	Joint liability guarantee			Two Years	No	Yes
Xiyan g Oriental Yuhong Building Materials Co., Ltd.	2023/08/19	6,000	2023/08/18	6,000	Joint liability guarantee			Three Years	No	Yes
Xiyan g Oriental Yuhong Building Materials Co., Ltd.	2022/09/09	12,000	2022/09/08	0	Joint liability guarantee			Three Years	No	Yes
Xiyan g Oriental Yuhong Building Materials Co., Ltd.	2023/07/08	5,000	2023/07/07	0	Joint liability guarantee			Three Years	No	Yes



Xi yan g Ori ental Yuhong Build ing Mater ial s Co., Ltd.	2023/03/ 04	10,000	2023/03/ 03	4,000	Joint liability guarante e			Three Years	No	Yes
Xi yan g Ori ental Yuhong Build ing Mater ial s Co., Ltd.	2022/05/ 14	9,000	2022/05/ 13	0	Joint liability guarante e			Three Years	No	Yes
Xi yan g Ori ental Yuhong Build ing Mater ial s Co., Ltd.	2022/04/ 23	17,000	2022/04/ 22	0	Joint liability guarante e			Two Years	No	Yes
Guang dong Ori ental Yuhong Waterp roof Technol ogy Co., Ltd.	2021/09/ 14	13,500	2021/09/ 13	0	Joint liability guarante e			Three Years	No	Yes



Guangdong Oriental Yuhong Waterproof Technology Co., Ltd.	2021/06/24	15,000	2021/06/23	0	Joint liability guarantee			Three Years	No	Yes
Guangdong Oriental Yuhong Waterproof Technology Co., Ltd.	2021/02/08	20,000	2021/02/07	0	Joint liability guarantee			Three Years	No	Yes
Guangdong Oriental Yuhong Waterproof Technology Co., Ltd.	2022/11/19	16,500	2022/11/18	4,900	Joint liability guarantee			Three Years	No	Yes
Guangdong Oriental Yuhong Waterproof Technology Co., Ltd.	2023/12/15	6,000	2023/12/14	3,000	Joint liability guarantee			Three Years	No	Yes



Guangdong Oriental Yuhong Waterproof Technology Co., Ltd.	2022/04/23	24,000	2022/04/22	0	Joint liability guarantee			Three Years	No	Yes
Guangdong Oriental Yuhong Waterproof Technology Co., Ltd.	2022/05/14	20,000	2022/05/13	0	Joint liability guarantee			Two Years	No	Yes
Guangdong Oriental Yuhong Waterproof Technology Co., Ltd.	2023/10/25	6,750	2023/10/24	0	Joint liability guarantee			Three Years	No	Yes
Jinzhou Oriental Yuhong Building Materials Co., Ltd.	2021/09/14	13,500	2021/09/13	0	Joint liability guarantee			Three Years	No	Yes



Jinzhou Oriental Yuhong Building Materials Co., Ltd.	2023/06/03	10,000	2023/06/02	10,000	Joint liability guarantee			Three Years	No	Yes
Jinzhou Oriental Yuhong Building Materials Co., Ltd.	2022/07/21	3,000	2022/07/20	0	Joint liability guarantee			Three Years	No	Yes
Jinzhou Oriental Yuhong Building Materials Co., Ltd.	2023/05/17	7,000	2023/05/16	7,000	Joint liability guarantee			Three Years	No	Yes
Henan Oriental Yuhong Building Materials Co., Ltd.	2023/08/19	15,000	2023/08/18	0	Joint liability guarantee			Three Years	No	Yes
Henan Oriental Yuhong Building Materials Co., Ltd.	2022/06/16	13,000	2022/06/15	0	Joint liability guarantee			Three Years	No	Yes



Henan Oriental Yuhong Building Materials Co., Ltd.	2023/07/08	15,000	2023/07/07	0	Joint liability guarantee			Three Years	No	Yes
Henan Oriental Yuhong Building Materials Co., Ltd.	2023/08/19	10,000	2023/08/18	10,000	Joint liability guarantee			Three Years	No	Yes
Henan Oriental Yuhong Building Materials Co., Ltd.	2023/06/03	10,000	2023/06/02	10,000	Joint liability guarantee			Three Years	No	Yes
Henan Oriental Yuhong Building Materials Co., Ltd.	2023/03/15	16,500	2023/03/14	0	Joint liability guarantee			Three Years	No	Yes
Henan Oriental Yuhong Building Materials Co., Ltd.	2023/03/04	5,000	2023/03/03	0	Joint liability guarantee			Three Years	No	Yes



Henan Oriental Yuhong Building Materials Co., Ltd.	2022/07/21	5,200	2022/07/20	5,000	Joint liability guarantee			Three Years	No	Yes
Henan Oriental Yuhong Building Materials Co., Ltd.	2023/08/28	20,000	2023/08/27	20,000	Joint liability guarantee			Three Years	No	Yes
Henan Oriental Yuhong Building Materials Co., Ltd.	2021/8/14	10,000	2021/08/13	0	Joint liability guarantee			Three Years	No	Yes
Henan Oriental Yuhong Building Materials Co., Ltd.	2023/08/19	10,000	2023/08/18	5,000	Joint liability guarantee			Three Years	No	Yes
Henan Oriental Yuhong Building Materials Co., Ltd.	2022/10/22	7,000	2022/10/21	0	Joint liability guarantee			Three Years	No	Yes



Henan Oriental Yuhong Building Materials Co., Ltd.	2022/11/19	5,000	2022/11/18	0	Joint liability guarantee			Three Years	No	Yes
Henan Oriental Yuhong Building Materials Co., Ltd.	2023/01/17	12,000	2023/01/16	0	Joint liability guarantee			Three Years	No	Yes
Henan Oriental Yuhong Building Materials Co., Ltd.	2023/05/17	6,000	2023/05/16	6,000	Joint liability guarantee			Three Years	No	Yes
Guangzhou Fuda Insulation Materials Co., Ltd.	2023/04/28	3,900	2023/04/27	1,744.77	Joint liability guarantee			Three Years	No	Yes
Sichuan Oriental Yuhong Waterproof Engineering Co.,	2023/12/16	22,000	2023/12/15	34.93	Joint liability guarantee			Three Years	No	Yes



Ltd										
Chuzhou Tiandingfeng Non-woven Fabrics Co., Ltd.	2019/03/ 28	39,000	2020/03/ 25	8,000	Joint liability guarantee			Two Years	No	Yes
Chuzhou Tiandingfeng Non-woven Fabrics Co., Ltd.	2022/08/ 03	10,000	2022/08/ 02	10,000	Joint liability guarantee			Three Years	No	Yes
Chuzhou Tiandingfeng Non-woven Fabrics Co., Ltd.	2023/07/ 08	25,000	2023/07/ 07	20,000	Joint liability guarantee			Three Years	No	Yes

Chuzhou Tiandinfeng Non-woven Fabrics Co., Ltd.	2022/10/22	6,000	2022/10/21	0	Joint liability guarantee			Three Years	No	Yes
Changde Tiandinfeng Nonwovens Co., Ltd.	2023/10/25	77,000	2023/10/24	20,000	Joint liability guarantee			Three Years	No	Yes
Jiangxi Oriental Yuhong Building Materials Co., Ltd.	2022/08/03	3,750	2022/08/02	0	Joint liability guarantee			Three Years	No	Yes
Jilin Oriental Yuhong Building Materials Co., Ltd.	2022/04/23	17,000	2022/04/22	0	Joint liability guarantee			Three Years	No	Yes
HongShi (Jiangsu) New Materials Technology Co., Ltd.	2023/03/15	15,000	2023/03/14	10,000	Joint liability guarantee			Three Years	No	Yes



HongShi (Jiangsu) New Material s Technol ogy Co., Ltd.	2023/04/ 28	15,000	2023/04/ 27	596.39	Joint liability guarante e			Three Years	No	Yes
Guangz hou Oriental Yuhong Real Estate Investm ent Co. LTD	2023/07/ 08	20,000	2023/07/ 07	20,000				Three Years	No	Yes
Suzhou Oriental Yuhong Building Material s Co., Ltd.	2023/11/ 15	10,000	2023/11/ 14	10,000	Joint liability guarante e			Three Years	No	Yes
Suzhou Oriental Yuhong Building Material s Co., Ltd.	2023/06/ 03	18,000	2023/06/ 02	18,000	Joint liability guarante e			Three Years	No	Yes
Total amount of guarantee approved to subsidiaries in the reporting period (B1)		2,600,000		Total actual amount of guarantee approved to subsidiaries in the reporting period (B2)						239,102.45



Total amount of guarantee approved to subsidiaries by the end of the reporting period (B3)		2,600,000	Total actual balance of guarantee approved to subsidiaries by the end of reporting period (B4)		511,094.21				
The guarantee provided by subsidiaries to subsidiaries									
Name of the guarantee object	Disclosure date of guarantee amount's relevant announcement	Guarantee amount	Actual date of guarantee	Actual guarantee amount	Guarantee Type	Guarantee (if any)	Counter-guarantee situation (if any)	Guarantee Period	Fulfillment Yes/No
Total amount guaranteed by the Company (i.e., the sum of the first three items)									
Total amount of guarantee approved in the reporting period (A1+B1+C1)		3,600,000	Total actual amount of guarantee in the reporting period (A2+B2+C2)		251,626.8				
Total actual amount of guarantee in the reporting period (A2+B2+C2)		3,600,000	Total actual balance of guarantee by the end of the reporting period (A4+B4+C4)		545,595.06				
The proportion of total actual amount of guarantee (A4+B4+C4) in the Company's net asset			19.23%						
Among which									

Specifics on Adopting Multiple Ways of Guarantee

3. Entrusted cash asset management

(1) Entrusted financial management

Applicable Not applicable

There was no entrusted financial management during the reporting period.

(2) Entrusted Loans

Applicable Not applicable

There was no entrusted loan during the reporting period.

4. Other major contracts

Applicable Not applicable

There were no other major contracts during the reporting period.

XVI. Notes on Other Material Matters

Applicable Not applicable

(1) Share Increase Plan of Controlling Shareholders and Actual Controllers of the Company

Based on the firm confidence in the future prospect of the Company and the high recognition of the long-term value of the Company, in order to promote the sustained, stable and sound development of the Company, safeguard the interests of the shareholders and enhance the confidence of the investors, Mr. Li Weiguo, the controlling shareholder and de facto controller of the Company planned to increase the stakes of the Company within six months from the date of disclosure of the announcement of the plan on August 24th, 2022 for an additional amount of no less than 50 million RMB with his own funds.

Mr. Li Weiguo increased his shareholding in the Company by 1,880,050 shares, accounting for 0.07% of the total share of the company at the time of the increase in shareholding, by way of centralized bidding transactions through the trading system of the Shenzhen Stock Exchange from August 24th, 2022 to February 23rd, 2023 valued at RMB 50.408 million (excluding transaction cost) and the average price was RMB 26.81 per share. As of February 23rd, 2023, the implementation period of this share increase plan has expired, and the share increase plan has been implemented.

(2) Repurchase of the Company's Shares

At the Fourteenth Meeting of the Eighth Board of Directors of the Company held on November 13th, 2023, the Company considered and passed the Motion on the Plan for the Repurchase of the Company's Shares (hereinafter referred to as the "Share Repurchase Plan"), agreeing that the

Company intends to use its own funds to repurchase a portion of the Company's domestically issued Renminbi ordinary (A) shares by way of centralized bidding transactions, which will be used for implementing Employee Stock Ownership Plan or equity incentives at a later stage. The total amount of funds to be used for the repurchase shall be no less than RMB300 million (including 300 million) and no more than RMB600 million (including 600 million), the repurchase price shall be no more than RMB32 per share (including 32 yuan), and the term of the repurchase shall be no more than 12 months from the date of the Board of Directors' consideration of and approval of the repurchase plan. The Company has opened a special securities account for share repurchase and disclosed the Report on Repurchase on November 15th, 2023, and the Company has formally implemented the share repurchase plan since November 15th, 2023.

The Company held the twentieth meeting of the eighth Board of Directors on February 5th, 2024, and considered and passed the "Motion on Changing the Purpose of the Repurchased Shares for Cancellation" in order to improve the long-term investment value of the Company, enhance the level of earnings per share, and further strengthen the confidence of investors while taking into consideration of actual situation of the Company. It agreed to change the use of repurchased shares in the Motion on the Plan for the Repurchase of the Company's Shares (hereinafter referred to as the "2021 Share Repurchase Plan", which was implemented on November 7th, 2022) considered and passed at the 45th meeting of the seventh Board of Directors and the use of repurchased shares in this share repurchase program, respectively, from the original "the repurchased shares will be used for the implementation of the Employee Stock Ownership Plan or equity incentives" to "the repurchased shares will be used to cancel and reduce the registered capital of the Company". Except for the aforesaid modification, no other contents of the original 2021 share repurchase plan and the current share repurchase plan will be changed. The aforesaid change in the use of the repurchased shares has yet to be submitted to the shareholders' meeting of the Company for consideration.

As of March 31st, 2024, the total amount of fund used for the repurchase had reached the upper limit under the share repurchase plan, and the implementation of the share repurchase plan was completed. The cumulative number of shares repurchased by the Company through the special securities account for repurchase by way of centralized bidding transactions totaled 35,457,268 shares, accounting for 1.41% of the total capital stock of the Company, with the highest transaction price at RMB22.94 per share and the lowest transaction price at RMB14.69 per share, and a total transaction amount of RMB599,921,533 (excluding transaction fees). The actual number of shares repurchased by the Company, the proportion of the total capital stock of the Company, the repurchase price, the total amount of funds utilized, the method of repurchase and the period of

implementation of the shares repurchase were all in line with the established plan, and there was no discrepancy between the actual implementation of the repurchase and the share repurchase plans considered and approved by the Board of Directors. The Company has completed the repurchase in accordance with the disclosed repurchase program.

(3) The Company's investment in the development of manufacturing and R&D bases and headquarters

As of the disclosure date of this report, the Company's progress in investment, construction, production, R&D and headquarters base projects was presented below:

1. Investment and Construction of Green Building Materials (Wuhu) Industrial Demonstration Park Project in Wuhu City, Anhui Province

On June 30th, 2020, the Company and the People's Government of Sanshan District, Wuhu City, Anhui Province signed the Project Investment Agreement, which stipulates that the Company intends to invest RMB1 billion to in the construction of new energy-saving, thermal insulation and sealing material manufacturing project in Sanshan District, Wuhu City (Phase I); new construction waterproof materials, new functional coating materials manufacturing project (Phase II); green civil building materials, functional fillers manufacturing project (Phase III), the total construction period of the project is expected to be 48 months. On August 17th, 2020, the 14th meeting of the 7th Board of Directors held by the Company considered and passed the "Motion on the Investment and Establishment of a Wholly-owned Subsidiary and the Construction of Green Building Materials (Wuhu) Industrial Demonstration Park Project in Sanshan District of Wuhu City, Anhui Province", and agreed that the Company intends to invest RMB 50 million yuan of its own fund in Sanshan District of Wuhu City for the establishment of Anhui Oriental Yuhong Building Materials Co., Ltd. (the specific details shall be subject to the approval of the registration of the industrial and commercial administration department), a wholly-owned subsidiary, which will serve as the main body of the implementation of the project to self-finance an investment of up to 1 billion yuan in the Sanshan District of Wuhu for the construction of the Oriental Yuhong Green Building materials (Wuhu) Industrial Demonstration Park project. In the same month, the project implementation body namely Wuhu Oriental Yuhong New Material Technology Co. was founded. As at the date of disclosure of this report, the production lines of Phase I and Phase II and some of the production lines of Phase III have been put into production.

2. Investment and Construction of Green Building Materials Industrial Park Project in Huadu District, Guangzhou City

On July 14th, 2020, the Company signed a Cooperation Agreement with the People's Government of

Huadu District, Guangzhou City, which stipulates that the Company intends to invest RMB 3 billion in the construction of the Oriental Yuhong Greater Bay Area Green Building Materials Industrial Park and International Green Building Materials Center Project in Huadu District, Guangzhou City, which is expected to be constructed within 36 months. On August 7th, 2020, the Thirteenth Meeting of the Seventh Board of Directors of the Company considered and approved the "Motion on the Investment and Establishment of Wholly-owned Subsidiaries in Huadu District of Guangzhou City and the Construction of Green Building Materials Industrial Park Project", agreeing that the Company intends to invest RMB100 million with its own funds to establish wholly-owned subsidiaries in Huadu District of Guangzhou City, namely Guangdong Oriental Yuhong Building Materials Company Limited, Guangdong Oriental Yuhong Building Science and Technology Company Limited, and Fuda Energy Conservation Science and Technology Company Limited, (the specific details shall be subject to the approval of the registration of the industrial and commercial administration department, hereinafter referred to as the "Relevant Project Companies"), and invested RMB3 billion with self-financing funds in the construction of the Oriental Yuhong Greater Bay Area Green Building Materials Industrial Park and the International Green Building Materials Center Project in Huadu District of Guangzhou City with the Relevant Project Companies as the main body of the project implementation. The relevant project companies were established in 2020, and as of the date of disclosure of this report, the Oriental Yuhong Great Bay Area Green Building Materials Industrial Park Project has been partially put into production and the International Green Building Materials Center Project is in the stage of commencement of construction.

3. Investment and Construction of Green New Materials Integrated Industrial Park Project in Yangpu, Hainan Province

On August 13th, 2020, the company and Hainan Yangpu Economic Development Zone Administrative Committee signed a "Project Investment Agreement", agreed that the company intends to invest 1 billion yuan in Hainan Yangpu Economic Development Zone in the construction of the Oriental Yuhong Hainan Yangpu Green New Materials Integrated Industrial Park Project. On August 28th, 2020, the Fifteenth Meeting of the Seventh Board of Directors considered and passed the "Motion on the Investment and Construction of Green New Materials Comprehensive Industrial Park Project in Hainan Yangpu", agreed that the company intends to use to invest 50 million yuan of its own funds in Hainan Yangpu Economic Development Zone to set up a wholly-owned subsidiary namely Yangpu Oriental Yuhong Building Materials Company Limited which will serve as the main implementation body of the project to self-finance an investment of up to 1 billion yuan

in the Economic Development Zone of Yangpu, Hainan in the construction of Oriental Yuhong Hainan Yangpu Green New Materials Integrated Industrial Park Project. On September 14th, 2020, the company's first extraordinary general meeting in 2020 considered and passed the above matters. In the same month, Yangpu Oriental Yuhong Building Materials Co., the main implementation body of the project, was founded. During the reporting period, the Hainan Yangpu Green New Material Comprehensive Industrial Park Project was partially put into production.

5. Green Building Materials Production Base and Chengdu-Chongqing Regional Headquarters Projects in Jiangjin District, Chongqing

On September 3rd, 2020, the company and the People's Government of Jiangjin District, Chongqing signed the "Project Investment Agreement", which stipulates that the company intends to invest 1.4 billion yuan in the construction of Oriental Yuhong Green Building Materials Production Base and Chengdu-Chongqing regional headquarter project in Jiangjin District, Chongqing. On September 14th, 2020, the sixteenth meeting of the seventh session of the Board of Directors of the company considered and approved the "Motion on the Establishment of a Wholly-owned Subsidiary and the Construction of Green Building Materials Production Base and Chengdu-Chongqing Regional Headquarter Project in Jiangjin District, Chongqing", agreed that the company's wholly-owned subsidiary namely Tianjin Hongzhi New Material Co., Ltd. intends to use 50 million yuan of its own funds to invest in Chongqing Jiangjin District to set up a wholly-owned subsidiary namely Chongqing Oriental Yuhong Building Materials Company Limited which will serve as the main project implementation body to self-finance an investment of not more than RMB1.4 billion in Chongqing Jiangjin District for the Oriental Yuhong green building materials production base and Chengdu-Chongqing regional headquarter projects. In September 2020, the main implementation body of the project, Chongqing Oriental Yuhong Building Materials Company Limited, has been established. As of the date of disclosure of this report, the Oriental Yuhong green building materials production base project in Chongqing Jiangjin District has been partially put into production.

6. Shandong Regional Headquarter and Green Building Materials Production Base Project in Tianqiao District, Jinan City

On December 21st, 2020, the Company and the People's Government of Tianqiao District, Jinan City, signed the "Cooperation Framework Agreement", and after friendly consultation between the two sides, the Company and the People's Government of Tianqiao District, Jinan City, signed the "Project Entry Agreement" on January 4th, 2021 on the basis of the original "Cooperation Framework Agreement", which stipulates that the Company intends to invest RMB900 million in Tianqiao District of Jinan, Shandong Province in the construction of Oriental Yuhong Shandong

regional headquarter project and green building materials production base project, of which the regional headquarters project plans to invest 100 million yuan, including the realization of the functions of the office, meetings, training, research and development, display, reception, settlement and accommodation of the company, its subsidiaries and brands; production base project plans to invest 800 million yuan, covering research, development and production of new building waterproof materials, energy-saving thermal insulation and sealing materials, special mortar and green civil materials and other products. On January 4th, 2021, the twenty-fifth meeting of the seventh board of directors considered and passed the "Motion on the Establishment of Wholly-Owned Subsidiaries and the Construction of the Shandong Regional Headquarter Project and the Green Building Materials Production Base Project", agreed that the company would invest 100 million yuan of its own funds in Tianqiao District, Jinan of Shandong Province to set up a wholly owned subsidiary namely Shandong Oriental Yuhong Building Materials Co. Ltd. (specific details subject to the approval of the industrial and commercial administration department) which will serve as the main body of the implementation of the project to self-finance an investment of up to 100 million yuan for the Oriental Yuhong Shandong regional headquarter project; agreed that its wholly-owned subsidiary namely Oriental Yuhong Building Materials Co. Ltd. to set up a wholly-owned subsidiary namely Jinan Oriental Yuhong Building Materials Co., Ltd. (specific details subject to the approval of the industrial and commercial administration department) which will serve as the main body of the project implementation with a self-financed investment of up to 800 million yuan in Jinan Tianqiao District, Shandong Province for the construction of the Oriental Yuhong green building materials production base project. In January, 2021, the implementation main bodies of the company's Shandong regional headquarter project and green building materials production base namely Shandong Oriental Yuhong Building Materials Co. Ltd. and Jinan Oriental Yuhong Building Materials Company Limited have been established. As of the date of disclosure of this report, the Oriental Yuhong Green Building Materials Production Base Project is in the trial production stage.

7. Oriental Yuhong Zhangjiagang Green Building Materials Intelligent Production Base Project in Daxin Town, Zhangjiagang City

On May 27th, 2021, the company and Daxin Town People's Government of Zhangjiagang City signed a "Project Investment Agreement", which stipulates that the company intends to invest 2 billion yuan in Daxin Township, Zhangjiagang City for the construction of Oriental Yuhong Zhangjiagang Green Building Materials Intelligent Production Base Project, to promote research, development and production of waterproof, energy-saving, thermal insulation materials, civil

construction materials, special mortar, powder and other products. It is required to obtain construction permits within three months from the date of the company's bidding for the land, and to start piling construction within 1 month after obtaining construction permits, and to go into production within 24 months. On July 2nd, 2021, the thirty-ninth meeting of the seventh board of directors considered and passed the "Motion on the Investment and Establishment of Wholly-owned Subsidiaries and the Construction of Green Building Materials Intelligent Production Base Project in Daxin Town of Zhangjiagang City", agreed that the company's wholly-owned subsidiary namely Oriental Yuhong Building Materials Co., Ltd. to use 50 million yuan of its own funds in Daxin Town of Zhangjiagang City, in the establishment of a wholly-owned subsidiary namely Zhangjiagang Oriental Yuhong Building Materials Co., Ltd. which will serve as the main body of the implementation of the project to self-finance an investment of up to 2 billion yuan for the construction of Oriental Yuhong Zhangjiagang green building materials intelligent production base project in Daxin Town of Zhangjiagang City. In July, 2021 the implementation body of the project was established. As of the date of disclosure of this report, Phase I of the project has been put into production; the land for Phase II of the project has been delisted and land use rights certificates, construction land use planning permits, construction project planning permits, construction permits, etc. have been obtained one after another, and all the work is in continuous progress.

8. Oriental Yuhong Green Building Materials Production Base Project in Chenzhou, Hunan Province

On June 7th, 2021, the Company and the Administrative Committee of Chenzhou Economic Development Zone of Hunan Province signed the "Project Investment Agreement", which stipulates that the Company intends to invest RMB 1 billion in the Chenzhou Economic Development Zone in the construction of the Oriental Yuhong Green Building Materials Production Base Project, and to promote the research, development and production of products including, but not limited to, waterproof roll materials, special mortar, and assembled type (aerated materials), etc. All phases of the project are planned to commence construction within 3 months from the date of obtaining the construction permit, complete and put into operation within 12 months from the date of commencement of construction and reach design capacity within 1 year after completion and put into operation. On April 27th, 2022, the Forty-eighth Meeting of the Seventh Board of Directors of the Company considered and passed the "Motion on Investing in and Constructing a Green Building Materials Production Base Project in Chenzhou City, Hunan Province", and agreed that Chenzhou Oriental Yuhong Green Building Materials Science and Technology Co. Ltd., a wholly-owned subsidiary of the Company, as the main project implementation body, to invest not more than RMB1 billion with self-financing funds in the construction of Oriental Yuhong Green Building

Materials Production Base Project in Chenzhou City, Hunan Province. As of the date of disclosure of this report, the project has been put into production.

9. Chemical Industrial Park VAE Emulsion and VAEP Latex Powder Project in Yangzhou, Jiangsu Province

On July 10th, 2021, the company and Jiangsu Yangzhou Chemical Industrial Park Administrative Office signed the "Investment Agreement", which stipulates that the company intends to invest 2.5 billion yuan in Jiangsu Yangzhou Chemical Industrial Park to in the construction of 400,000 tons/year of ethylene vinyl acetate copolymer adhesive (VAE emulsion), 100,000 tons/year of ethylene vinyl acetate copolymer re-dispersible latex powder (VAEP powder) and other projects. The project will be constructed in two phases, the first phase of which is to build 120,000 tons/year of VAE emulsion and 50,000 tons/year of VAEP adhesive powder project. The construction will be completed within 16 months from the time when the construction conditions are in place. The second phase is to build 280,000 tons/year of VAE emulsion and 50,000 tons/year of VAEP adhesive powder project, and the construction will be completed no later than before October 1st, 2025. On July 23rd, 2021, the 40th meeting of the 7th Board of Director considered and passed the "Motion on the Investment and Establishment of a Controlling Subsidiary in Yangzhou, Jiangsu Province and the Construction of VAE Emulsion and VAEP Adhesive Powder Project", and agreed to set up a subsidiary company in Yangzhou Chemical Industrial Park with a joint capital of RMB100 million jointly with Hong Kong Oriental Yuhong Investment Company Limited (hereinafter referred to as "Hong Kong Oriental Yuhong"), a wholly-owned subsidiary of the Company, in Yangzhou Chemical Industrial Park to set up a subsidiary, Hongshi New Materials, as the main body for the implementation of the project. The Company will invest RMB600 million of its own capital to hold 60% equity interest in Hongshi New Materials, and Hong Kong Oriental Yuhong intends to invest 400 million yuan of its own capital to hold 40% equity interest in Hongshi New Materials. On September 7th, 2021, the 42nd Meeting of the Seventh Board of Directors considered and passed the "Motion on Capital Increase to Wholly-owned Subsidiary". The Company proposed to increase the capital of Hongkong Oriental Yuhong with its own fund of USD60 million (approximately RMB380.8212 million), and after the completion of the capital increase, the registered capital of Hong Kong Oriental Yuhong would increase from USD120 million to USD180 million. At the same time, as a participating shareholder of Hongshi New Materials, Hong Kong Oriental Yuhong will also complete the capital contribution in accordance with the capital contribution schedule agreed in the investment agreement for the VAE emulsion and VAEP powder project after the capital contribution arrives at the account and after completing

the approval procedures of the market regulatory authorities such as commerce, foreign exchange management, etc., so as to effectively promote the progress of the construction of the VAE emulsion and VAEP powder project. In July 2021, the implementation body of the project, Hongshi (Jiangsu) New Materials was founded. During the reporting period, Phase I of the project has been put into production, and as of the date of disclosure of this report, Phase II of the project is at the stage of commencement of construction.

10. Green Building Materials Production Base and Hubei Regional Headquarters Project in Wuhan, Hubei province

On January 19th, 2022, the company and the people's government of Xinzhou District, Wuhan City, signed a "Project Investment Agreement", agreed that the company intends to invest 2 billion yuan in Wuhan City for the investment and construction of Oriental Yuhong Wuhan green building materials production base project and the Hubei regional headquarter project, of which, the former one covers the R&D and production of polymer waterproof roll materials, water-based waterproof coatings, high-quality sand, sand aerated panels, special mortar, roof tile system, high-end gypsum products and other green high-end new materials. Hubei regional headquarter project include the construction of offices of Oriental Yuhong and its subsidiaries and brands, sales, settlement, meetings, training, R&D and other functional centers in Hubei region. The project will be constructed in accordance with the method of "overall planning and phased implementation", in which each phase of the production base project is planned to commence construction within 3 months from the date of obtaining the real estate title certificates and be completed and put into operation within 24 months from the date of commencement of the project. On April 11th, 2022, the 47th meeting of the seventh Board of Directors considered and passed the "Proposal on Investment and Construction of Green Building Materials Production Base and Hubei Regional Headquarter Project in Wuhan, Hubei", agreeing that Wuhan Oriental Yuhong Sand Powder Science and Technology Co., Ltd, a wholly-owned subsidiary of the Company, as the main project implementation body, invest no more than RMB 2 billion yuan in Wuhan with self-financing funds for the construction of Oriental Yuhong Wuhan Green Building Materials Production Base Project and Hubei Regional Headquarter Project in Wuhan. The 49th Meeting of the Seventh Board of Directors on May 5, 2022 considered and approved the "Motion on Changing the Implementation Main Body of Wuhan Green Building Materials Production Base Project and Hubei Regional Headquarter Project". The Company intends to change the implementation body of the Project, and the Company will use Wuhan Oriental Yuhong Kejian Building Materials Company Limited (hereinafter referred to as "Wuhan Oriental Yuhong"), a holding subsidiary of the Company, as the



implementation body of the Project, so as to better construct and operate the Wuhan Green Building Materials Production Base Project and the Hubei Regional Headquarter Project. The registered capital of Wuhan Oriental Yuhong is RMB250 million, in which the Company holds 90% equity interest in Wuhan Oriental Yuhong with its own capital of RMB225 million and China Construction Third Bureau Group Limited holds 10% equity interest in Wuhan Oriental Yuhong with its own capital of RMB25 million. As of the date of disclosure of this report, part of the production line of Wuhan Green Building Materials Production Base Project has been put into production.

11. Oriental Yuhong Green Building Materials Production Base Project in Nanyang, Henan Province

On April 28th, 2022, the Company entered into a Project Investment Agreement with the People's Government of Nanzhao County, Nanyang City, Henan Province, which stipulates that the Company intends to invest RMB1 billion for the construction of the Oriental Yuhong Green Building Materials Production Base Project in Nanzhao County, Nanyang City, Henan Province, and to promote the research, development and production of waterproof, energy-saving and thermal insulation materials, civil building materials, special mortar, construction powder, construction coatings and other products. In accordance with the approach of "overall planning, phased land supply, phased delisting, phased implementation", the project will be divided into two phases of construction. 500 million yuan will be invested in the first phase and another 500 million yuan will be invested in the second phase. The project is scheduled to start construction within 3 months from the date of obtaining construction permits, the first production line will put into operation within 10 months from the commencement of construction, and the project will successively put into production within 24 months or so since the commencement of construction. On May 23rd, 2022, the 51st Meeting of the Seventh Board of Directors of the Company considered and passed the "Motion on the Investment and Establishment of a Wholly-owned Subsidiary in Nanzhao County of Nanyang City, Henan Province and the Construction of Green Building Materials Production Base Project", and agreed that the Company's second-tier wholly-owned subsidiary namely Oriental Yuhong Sand Powder Science and Technology Investment Co. Ltd. to invest 10 million yuan in Nanzhao County, Nanyang City, Henan Province with its own funds to set up a wholly-owned subsidiary namely Nanyang Oriental Yuhong Building Materials Technology Co., Ltd. as the main project implementation body to self-finance an investment of up to 1 billion yuan for the construction of the Oriental Yuhong Nanyang Green Building Materials Production Base Project in Nanzhao County, Nanyang City, Henan Province. In June 2022, Nanyang Oriental Yuhong Building Materials Technology Co., Ltd completed the business registration. As of the date of disclosure of

this report, part of the production line of the project has been put into production.

12. Oriental Yuhong Green Building Materials Production Base Project and Fujian Regional Headquarter Project in Fuzhou, Fujian Province

On January 14th, 2022, the Company and the People's Government of Minqing County, Fuzhou City, Fujian Province signed the Project Investment Agreement, which stipulates that the Company intends to invest RMB 1.2 billion in the construction of the Oriental Yuhong Fuzhou Green Building Materials Production Base Project and the Fujian Provincial Regional Headquarter Project in Minqing County of Fuzhou City, Fujian Province. The production base project is to promote the product development and production of waterproof, energy-saving and thermal insulation materials, civil building materials, special mortar, architectural coatings and other products. Regional headquarter project plans to establish Fujian Oriental Yuhong Building Materials Technology Company Limited in Minqing County of Fuzhou City, Fujian Province as the company's regional sales and settlement headquarter. 600 million yuan will be invested in the first phase of the production base project and a total investment of, 600 million yuan will be put into Phase II of the production base project. Each phase will obtain the construction permit within 9 months from the date of land handover and start construction within 1 month after obtaining the construction permit and will be completed and put into production within 24 months from the date of commencement of the construction. The specific implementation plan of the regional headquarter project will be separately determined according to the development of the market. On October 28th, 2022, the third meeting of the eighth board of directors of the company considered and passed the "Motion on the Investment and Construction of Green Building Materials Production Base Project and Fujian Regional Headquarter Project in Minqing County of Fuzhou City, Fujian Province", agreeing that the Company's holding subsidiary namely Fuzhou Oriental Yuhong Building Materials Company Limited, and Fujian Oriental Yuhong Building Materials Science and Technology Company Limited, the Company's wholly-owned subsidiary, as the main body of the implementation of the project, shall invest no more than RMB1.2 billion with their self-financing funds to invest in and construct the Oriental Yuhong Fuzhou green building materials production base project and the Fujian regional headquarter project in Minqing County of Fuzhou City. As of the date of disclosure of this report, the land of Fuzhou Green Building Materials Production Base Project has been delisted and the work is in continuous progress.

13. Oriental Yuhong New Material Industrial Park Project in Yongfeng County, Ji'an, Jiangxi Province

Overview of Important Issues	Disclosure date	Interim Reporting Disclosure Website Query Index
Increasing shareholding plans of the company's controlling shareholder and actual controller	2023/02/24	http://www.cninfo.com.cn
Matters regarding repurchase of the Company's shares	2023/11/14	http://www.cninfo.com.cn
	2023/11/15	http://www.cninfo.com.cn
	2023/11/18	http://www.cninfo.com.cn
	2023/12/06	http://www.cninfo.com.cn
	2024/01/03	http://www.cninfo.com.cn
	2024/02/03	http://www.cninfo.com.cn
	2024/02/06	http://www.cninfo.com.cn
	2024/03/05	http://www.cninfo.com.cn
2024/04/03	http://www.cninfo.com.cn	
Matters regarding the Company's investment, construction, production, R&D and headquarters base projects	2023/11/13	http://www.cninfo.com.cn

On November 22nd, 2023, Oriental Yuhong Sand Powder Technology Group Limited (hereinafter referred to as "Sand Powder Group"), a wholly-owned subsidiary of the Company, entered into an Investment Agreement with the People's Government of Yongfeng County, Ji'an City, Jiangxi Province, which stipulates that the Sand Powder Group intends to invest 1 billion yuan to invest in the construction of the Oriental Yuhong Ji'an New Material Industrial Park Project in Yongfeng County. The construction include but not limited to product development and production of mining, white cement, special mortar, decorative mortar, construction powder, architectural coatings, rubber and plastic products, pipe industry and other products. In accordance with the approach of "overall planning, phased land supply, phased licensing, phased implementation", the project is divided into three phases of construction, each phase will start construction within 6 months from the date when the land is delisted and the land is ready for delivery and start production within 18 months since

the commencement of construction. On the same day, Huasha Mining (Ji'an) Company Limited, a wholly-owned subsidiary of Sand Powder Group, participated in the bidding for the prospecting right of the detailed investigation of the marble mine for finishing in Yongfeng County and succeeded in the bidding with RMB100.5 million. On November 22nd, 2023, the Sixteenth Meeting of the Eighth Board of Directors considered and approved the "Motion on Investment and Construction of New Material Industrial Park Project in Yongfeng County, Ji'an City, Jiangxi Province", and agreed with the Sand Powder Group's proposal to set up the project companies of Ji'an Oriental Yuhong Special Cement Co. Ltd., Huasand Sand Mortar (Ji'an) Co. Ltd. and Ji'an Oriental Yuhong Building Materials Technology Co. Ltd. (hereinafter referred to as the "Project Companies", the enterprise name is ultimately subject to the approval and registration by the market supervision department) as the main body of the project implementation, to invest up to RMB1 billion in Yongfeng County with self-financing funds for the construction of Oriental Yuhong Ji'an New Material Industrial Park Project. As of the date of disclosure of this report, the project company namely Huasha Mortar (Ji'an) Company Limited, has completed the registration, the project has obtained the prospecting right certificate and the work is in continuous progress.

The Company shall comply with the disclosure requirements for non-metal building materials industries given in *Shenzhen Stock Exchange Listed Companies' Self-discipline Supervision Guide: No. 3 - Industry Information Disclosure*.

XVII. Important Matters Regarding the Company's Subsidiaries

Applicable Not Applicable

Chapter VII Changes in Shares and Information on Shareholders

I. Changes in shares

I. Changes in shares

Unit: Share

	Before this change		Changes during the period					After this change	
	Amount	Proportion	New shares	Bonus issue	Bonus issue from capital reserves	Others	Subtotal	Amount	Proportion
I. Shares with trading limited conditions	532,266,520	21.13%	0	0	0	- 9,296,325	- 9,296,325	522,970,195	20.77%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state legal entity	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares held by other domestic entities	532,266,520	21.13%	0	0	0	- 9,296,325	- 9,296,325	522,970,195	20.77%



3. Shares held by other domestic entities	0	0.00%	0	0	0	0	0	0	0	0.00%
Shares held by domestic natural person	532,266,520	21.13%	0	0	0	-9,296,325	-9,296,325	522,970,195		20.77%
4. Shares held by foreign entity	0	0.00%	0	0	0	0	0	0	0	0.00%
Including : Shares held by foreign legal entity	0	0.00%	0	0	0	0	0	0	0	0.00%
Shares held by foreign natural person	0	0.00%	0	0	0	0	0	0	0	0.00%
Shares held by foreign natural person	1,986,197,671	78.87%	0	0	0	9,296,325	9,296,325	1,995,493,996		79.23%



1. Common stock (RMB Denomin ated)	1,986,197 ,671	78.87%	0	0	0	9,296,325	9,296,325	1,995,493 ,996	79.23%
2. Domestic ally-listed shares held by foreign investors	0	0.00%	0	0	0	0	0	0	0.00%
3.Overse as-listed shares held by foreign investors	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	2,518,464 ,191	100.00%	0	0	0	0	0	2,518,464 ,191	100.00%

Reasons for changes in shares

Applicable Not applicable

During the reporting period, the share capital structure changed due to the annual unlocking of senior executives' locked share

The Approval of Stock Change

Applicable Not applicable

Status of Transfer for Shareholdings' Movements

Applicable Not applicable

The impact of changes in shares on financial indicators such as basic earnings per share and diluted earnings per share, net assets per share attributable to the Company's common shareholders in the most recent year and the most recent period

Applicable Not applicable

Other information the company deemed necessary or required by securities regulators to disclose

Applicable Not Applicable

2. Changes in Shares with Trading Restrictions

Applicable Not applicable

Unit: Share

Names of shareholders	Initial number of shares with trading restrictions	Increased number of shares with trading restrictions in this period	Relieved number of shares with trading restrictions in this period	Number of shares with trading restrictions at the end of this period	Causes of trading restrictions	Date of trading restriction relief
Li Weiguo	428,499,665	0	0	428,499,665	Senior executives lock-up shares.	-
Xu Limin	61,701,937	0	7,500,000	54,201,937	Senior executives lock-up shares.	In accordance with relevant provisions on the administration of senior executives lock-up shares on January 3, 2023, a total of 7,500,000 shares of senior executives lock-up shares were released from trading restrictions.



Xiang Jinming	17,376,992	0	750,000	16,626,992	Senior executives lock-up shares.	In accordance with relevant provisions on the administration of senior executives lock-up shares on January 3, 2023, a total of 7,500,000 shares of senior executives lock-up shares were released from trading restrictions.
Yang Haocheng	1,299,591	0	322,500	977,091	Senior executives lock-up shares.	In accordance with relevant provisions on the administration of senior executives lock-up shares on January 3, 2023, a total of 322,500 shares of senior executives lock-up shares were released from trading restrictions.

Zhang Ying	1,055,794	0	240,000	815,794	Senior executives lock-up shares.	In accordance with relevant provisions on the administration of senior executives lock-up shares on January 3, 2023, a total of 240,000 shares of senior executives lock-up shares were released from trading restrictions.
Zhang Zhiping	942,722	0	202,500	740,222	Senior executives lock-up shares.	In accordance with relevant provisions on the administration of senior executives lock-up shares on January 3, 2023, a total of 202,500 shares of senior executives lock-up shares were released from trading restrictions.
Xu Wei	631,983	0	0	631,983	Senior executives lock-up shares.	-

Wang Wenping	703,112	0	75,000	628,112	Senior executives lock-up shares.	In accordance with relevant provisions on the administration of senior executives lock-up shares on January 3, 2023, a total of 75,000 shares of senior executives lock-up shares were released from trading restrictions.
Zhang Hongtao	807,441	0	201,000	606,441	Senior executives lock-up shares.	In accordance with relevant provisions on the administration of senior executives lock-up shares on January 3, 2023, a total of 201,000 shares of senior executives lock-up shares were released from trading restrictions.
Wang Xiaoxia	202,966	0	0	202,966	Senior executives lock-up shares.	-



Other shares with trading restrictions	19,044,317	0	5,325	19,038,992	A total of 183,603 shares were locked up by senior management, and 18,855,389 shares were restricted by equity incentive.	In record with relevant provisions on the administration of senior executives lock-up shares on January 3, 2023, a total of 225 shares of senior executives lock-up shares were released from trading restrictions. On March 17, 2023, some supervisors declared their resignation for six months after their term of office expired, and a total of 5,100 executive lock-up shares were released from trading restrictions.
In total	532,266,520	0	9,296,325	522,970,195	--	--

II. Offering and Listing of Securities

1.Explanation on the issuance of securities (excluding preferred shares) during the reporting period

Applicable Not Applicable

2. Statement of Changes in Total Shares and Shareholder Structure and Asset and Liability Structure

Applicable Not Applicable

3. Existing Internal Employee Stock

Applicable Not applicable

III. Shareholder and Actual Controller

1. Number of Shareholders and Shareholding

Unit: Share

The total number of common shareholders at the end of the reporting period	186,526	The total number of common shareholders at the end of the month before the date of disclosure of annual report	197,759	The total number of preferred stock shareholders with restored voting rights at the end of the reporting period (if any) (reference to Note 8)	0	The total number of preferred shareholders with restored voting rights at the end of the month before the date of disclosure of annual report (if any) (reference to Note 8)	0	
Shareholdings of shareholders holding over 5% or top 10 shareholders								
Name of shareholders	Type of shareholders	Proportion	Number of shares held at the end of the period	Increase/decrease during the period	Number of shares with trading restrictions	Number of shares without trading restrictions	Pledged or frozen shares	
							Status of shares	Amount
Li Weiguo	Domestic natural person	22.69%	571,332,887	0	428,499,665	142,833,222	Pledge	283,583,639



Hongkong Securities Clearing Co., Ltd	Overseas legal entity	9.82%	247,235,037	- 83,824,516	0	247,235,037	Not applicable	0
Xu Limin	Domestic natural person	2.87%	72,269,250	0	54,201,937	18,067,313	Not applicable	0
DCP Dollar Fund Management-DCP Dollar Fund II	Overseas legal entity	1.83%	45,969,375	0	0	45,969,375	Not applicable	0
China Merchants Bank Co., Ltd - Foresight Growth Value Hybrid Securities Investment Fund	Others	1.61%	40,627,620	914,600	0	40,627,620	Not applicable	0
Janchor Partners Pan - Asian Master Fund - RQFII	Overseas legal entity	1.39%	34,974,679	0	0	34,974,679	Not applicable	0



Industrial and Commercial Bank of China Limited-Fuguo Tianhui Selected Growth Hybrid Securities Investment Fund (LOF)	Others	0.99%	25,007,131	13,007,082	0	25,007,131	Not applicable	0
Xiang Jinmin	Domestic natural person	0.88%	22,169,323	0	16,626,992	5,542,331	Pledge	3,000,000
Abu Dhabi Investment Authority	Overseas legal entity	0.79%	20,014,056	-3,668,164	0	20,014,056	Not applicable	0
China Merchants Bank Co., Ltd.-Ruiyuan Equilibrium Value Three-Year Holding Period Hybrid Securities Investment Fund	Others	0.79%	20,000,000	-3,000,020	0	20,000,000	Not applicable	0

Strategic investors or general legal entities became top 10 shareholders due to placement of new shares(if any)(reference to Note 3)	N/A		
Statement of the above shareholders correlation or concerted action	The company was not notified if the above shareholders were correlated or belonged to persons acting in concert as stipulated in Measures for the Administration of the Takeover of Listed Companies.		
Explanation of the above-mentioned shareholders involving entrusted/entrusted voting rights and abstention from voting rights	N/A		
Special instructions for the existence of a special repurchase account among the top 10 shareholders (if any) (see Note 10)	<p>As of December 31, 2023, the company's special securities account for repurchase holds 33,896,156 shares of the company, accounting for 1.35% of the company's total share capital, of which the number of shares repurchased by the share repurchase plan implemented in 2021 is 27,866,756 shares, accounting for The company's total share capital ratio is 1.11%, and the 2021 share repurchase plan has been implemented on November 7, 2022; The number of repurchased shares in the share repurchase plan implemented in 2023 is 6,029,400 shares, accounting for 0.24% of the company's total share capital.</p> <p>As of March 31, 2024, the number of repurchased shares under the share repurchase plan implemented in 2023 is 35,457,268 shares, accounting for 1.41% of the company's total share capital. The 2023 share repurchase plan has been implemented on March 31, 2024.</p>		
Shareholdings of top 10 shareholders without trading restrictions			
Name of shareholder	Number of shares without trading restrictions at the end of the reporting period	Type of shares	
		Type of shares	Amount



Hongkong Securities Clearing Co., Ltd	247,235,037	Common stock (RMB Denominated)	247,235,037
Li Weiguo	142,833,222	Common stock (RMB Denominated)	142,833,222
DCP Dollar Fund Management-DCP Dollar Fund II	45,969,375	Common stock (RMB Denominated)	45,969,375
China Merchants Bank Co., Ltd - Foresight Growth Value Hybrid Securities Investment Fund	40,627,620	Common stock (RMB Denominated)	40,627,620
Janchor Partners Pan - Asian Master Fund - RQFII	34,974,679	Common stock (RMB Denominated)	34,974,679
Industrial and Commercial Bank of China Limited-Fuguo Tianhui Selected Growth Hybrid Securities Investment Fund (LOF)	25,007,131	Common stock (RMB Denominated)	25,007,131
Abu Dhabi Investment Authority	20,014,056	Common stock (RMB Denominated)	20,014,056



China Merchants Bank Co., Ltd.-Ruiyuan Equilibrium Value Three-Year Holding Period Hybrid Securities Investment Fund	20,000,000	Common stock (RMB Denominated) 20,000,000
Xu Limin	18,067,313	Common stock (RMB Denominated) 18,067,313
UBS AG	17,841,601	Common stock (RMB Denominated) 17,841,601
Statement of the correlation or acting in concert among top 10 holders of tradable-share without trading restrictions and between top 10 holders of tradable-share without trading restrictions and top 10 shareholders	The company was not notified if the above shareholders were correlated or belonged to persons acting in concert as regulated in Measures for the Administration of the Takeover of Listed Companies.	
Statement of top 10 common shareholders engaging in securities margin trading(if any)(reference to Note 4)	N/A	

Lending shares of the top ten shareholders participating in refinancing business

Applicable Not applicable

Changes in the top ten shareholders compared with the previous period



☑Applicable ☐Not applicable

Unit: Share

Changes in the top ten shareholders compared with the end of the previous period					
Name of shareholder (full name)	New additions/exits during the reporting period	Number of shares lent by refinancing at the end of the period and not yet returned		Number of shares held by shareholders in ordinary accounts and credit accounts and shares lent by refinancing and not yet returned at the end of the period	
		Total Quantity	Proportion of total share capital	Total Quantity	Proportion of total share capital
Industrial and Commercial Bank of China Limited-Fuguo Tianhui Selected Growth Hybrid Securities Investment Fund (LOF)	Addition	0	0.00%	25,007,131	0.99%
Xiang Jinming	Addition	0	0.00%	22,169,323	0.88%
China Merchants Bank Co., Ltd.-Ruiyuan Equilibrium Value Three-Year Holding Period Hybrid Securities Investment Fund	Addition	0	0.00%	20,000,000	0.79%
UBS AG	Exit	0	0.00%	17,841,601	0.71%
Government of Kuwait Investment Authority	Exit	0	0.00%	8,317,476	0.33%



Fucheng Haifu Asset Management- Beijing Oriental Yuhong Waterproof Technology Co., Ltd. 2021 Employee Stock Ownership Plan- Fucheng Haifutong Oriental Yuhong Employee Stock Ownership Single Asset Management Plan	Exit	0	0.00%	2,000,000	0.08%
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Whether the top 10 ordinary shareholders and the top 10 ordinary shareholders without selling restrictions of the Company conducted any agreed repurchase transactions during the reporting period

Yes No

The top 10 ordinary shareholders and the top 10 unrestricted ordinary shareholders of the Company did not conduct any agreed repurchase transactions during the reporting period.

2. Information on Controlling Shareholders

Nature of controlling shareholders: natural person holding

Nature of controlling shareholders: natural person

Name of controlling shareholders	Nationality	whether has obtained the permanent residence right of any other region or country
Li Weiguo	China	No

Main job title	<p>Mr. Li Weiguo, born in 1965, graduated from Hunan Agricultural University, bachelor degree, China, no permanent right of abode in a foreign country or region. In 1989, he taught at Changsha County Vocational Secondary School; In 1992, he taught at Hunan Economic Management College; From 1993 to 1995, he worked in the Hunan Provincial Bureau of Statistics; In 1995, he founded Changsha Changhong Building Waterproof Engineering Co., Ltd. He has been the chairman of the company since 1998 and is the main founder. He is also the chairman of Beijing GeoEnviron Engineering & Technology Co., Ltd., the executive director of Shenzhen Kaier Hanxiang Shiye Co., Ltd., and the executive director and manager of Beijing Changyang Jingyuan Technology Co., Ltd. On July 2003, he was selected as one of the top ten young entrepreneurs of Beijing. In 2005, he was selected as model worker of Beijing. In 2012, he was selected as one of the top ten annual outstanding youth in Zhongguancun. On November 2017, he was selected as the most respectable entrepreneur. He was listed on the 2019 and 2020 China Top 100 CEO lists. He is currently the president of China National Building Waterproof Association and the vice president of China Building Material Council.</p>
Information on shareholding of other domestic and overseas listed companies that had a controlling share or an equity participation during the reporting period.	<p>Controlling shares of Beijing GeoEnviron Engineering & Technology Co., Ltd, stock code: 603588, the shareholding ratio of Mr. Li Weiguo is 17.14%.</p>

Changes in controlling shareholders during the period

Applicable Not applicable

no change in controlling shareholders during the period

3. Actual controllers and persons acting in concert

Nature of actual controller: domestic natural person

Type of actual controller: natural person

Name of actual controller	Relation with actual controller	Nationality	Whether the permanent residence right of any other region or country is obtained
Li Weiguo	I	China	No

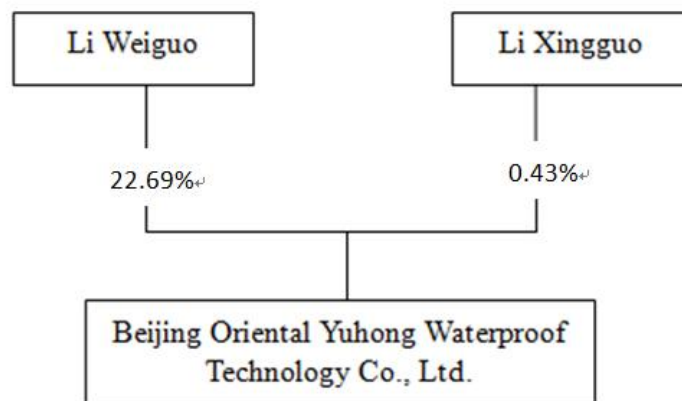
<p>Main job title</p>	<p>Mr. Li Weiguo, born in 1965, graduated from Hunan Agricultural University, bachelor degree, China, no permanent right of abode in a foreign country or region. In 1989, he taught at Changsha County Vocational Secondary School; In 1992, he taught at Hunan Economic Management College; From 1993 to 1995, he worked in the Hunan Provincial Bureau of Statistics; In 1995, he founded Changsha Changhong Building Waterproof Engineering Co., Ltd. He has been the chairman of the company since 1998 and is the main founder. He is also the chairman of Beijing GeoEnviron Engineering & Technology Co., Ltd., the executive director of Shenzhen Kaier Hanxiang Shiye Co., Ltd., and the executive director and manager of Beijing Changyang Jingyuan Technology Co., Ltd. On July 2003, he was selected as one of the top ten young entrepreneurs of Beijing. In 2005, he was selected as model worker of Beijing. In 2012, he was selected as one of the top ten annual outstanding youth in Zhongguancun. On November 2017, he was selected as the most respectable entrepreneur. He was listed on the 2019 and 2020 China Top 100 CEO lists. He is currently the president of China National Building Waterproof Association and the vice president of China Building Material Council.</p>
<p>Status of overseas and domestic listed companies that had controlling shares in the past 10 years</p>	<p>Controlling shares of Beijing GeoEnviron Engineering & Technology Co., Ltd, stock code: 603588, the shareholding ratio of Mr. Li Weiguo is 17.14%.</p>

Changes in actual controllers during the reporting period

Applicable Not applicable

No change in actual controller during the reporting period

Ownership and control relations between the actual controller and the company



Note: Mr. Li Weiguo is the actual controller of the Company. And Mr. Li Xingguo is Mr. Li

Weiguo's brother and acting-in-concert party.

Actual controller controls the company through trust or other asset management methods

Applicable Not applicable

4. The total amount of shares pledged by the controlling shareholder or the largest shareholder and the persons acting in concert accounts for 80% of the Company's shares held by them

Applicable Not applicable

5. Status of restrictions on the reduction of holdings for controlling shareholders, actual controller, restructuring party and other commitment subjects

Applicable Not applicable

6. Status of restrictions on the reduction of holdings for controlling shareholder, actual controller, restructuring party and other commitment subjects

Applicable Not applicable

IV. The specific implementation of share repurchase during the reporting period

Implementation progress of share repurchase

Applicable Not applicable

Plan disclosure time	Number of shares to be repurchased	Proportion in total share capital	Amount to be repurchased	Proposed repurchase period	Repurchase purpose	Number of shares repurchased (shares)	The ratio of the number of shares repurchased to the underlying shares involved in the equity incentive plan (if any)
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November 14, 2023	9,375,000-18,750,000 shares	0.37%-0.74%	30,000-60,000	November 13, 2023- November 13, 2024	The company held the 20th meeting of the eighth board of directors on February 5, 2024 to review and approve the "Proposal on Changing the Use of Repurchased Shares to Cancellation", and agreed to change the 2021 share repurchase plan and the 2023 share repurchase plan The purpose of repurchasing shares has been changed from the original plan "repurchase d shares will be used for later implementat ion of	6,029,400	
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					<p>employee stock ownership plans or equity incentives" to "repurchased shares will be used for cancellation and reduction of the company's registered capital". The above-mentioned change in the use of repurchased shares needs to be submitted to the company's general meeting of shareholders for consideration.</p>		
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Implementation progress of reducing share repurchased by centralized bidding

Applicable Not applicable



Chapter VIII Status of Preferred Shares

Applicable Not applicable

No preferred shares during the reporting period

Chapter IX Information on Bonds

Applicable Not Applicable

I. Enterprise Bonds

Applicable Not Applicable

There were no enterprise bonds in the Company during the reporting period.

II. Corporate Bonds

Applicable Not Applicable

There were no corporate bonds in the Company during the reporting period.

III. Debt Financing Instruments of Non-financial Enterprises

Applicable Not Applicable

1. Basic information on debt financing instruments of non-financial enterprises

Unit: RMB

Bond name	Bond abbreviation	Bond code	Release date	Value date	Expiry date	Bond balance	Interest rate	Repayment method	Trading places
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First Issue of Receivables Green Asset-Backed Notes (Science and Technology Notes) of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. Priority asset-backed securities	Oriental Yuhong 2023-1 Excellent	143904.S Z	2023/12/27	2023/12/27	2024/11/18	53,100	4.2%	Pay interest on a quarterly basis, and repay principal at one time upon maturity	Shenzhen Stock Exchange
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Oriental Yuhong Phase 1 Accounts Receivable Green Asset-backed Special Plan (Technology Innovation) Subordinated Asset-backed Securities	Oriental Yuhong 2023-1 Secondary	143905.SZ	2023/12/27	2023/12/27	2024/11/18	2,900	0%	Quarterly payment of period income, distribution of remaining funds at maturity	Shenzhen Stock Exchange
Investor suitability arrangements (if any)	Meet the conditions stipulated in the "Interim Measures for the Supervision and Administration of Private Equity Investment Funds", "Regulations on the Administration of Asset Securitization Business of Securities Companies and Subsidiaries of Fund Management Companies", and "Shenzhen Stock Exchange Bond Market Investor Suitability Management Measures", and have appropriate Qualified institutional investors with financial investment experience, risk tolerance, and full capacity for civil conduct, except for participants prohibited by laws, regulations and relevant regulations.								
Applicable Trading Mechanisms	The priority asset-backed securities and the subordinated asset-backed securities not subscribed by Oriental Yuhong may apply for transfer through the comprehensive agreement trading platform of the Shenzhen Stock Exchange, but the priority asset-backed securities and the subordinated asset-backed securities not subscribed by Oriental Yuhong shall not be transferred during the period from each equity registration date to the corresponding redemption date or during the general meeting of the holders of asset-backed securities with control.								
Applicable Trading Mechanisms	Not applicable								

Applicable Not Applicable

2. Triggering and implementation of issuer or investor option clauses and investor protection clauses

Applicable Not Applicable

3. Information on intermediaries

Bond project name	Intermediary name	Office address	Signing accountant name	Intermediary contact	Contact number
First Issue of Receivables Green Asset-Backed Notes (Science and Technology Notes) of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.	Huaneng Guicheng Trust Co., Ltd.	6/F, Sunshine Building, No. 112, Xizhimenwai Street, Xicheng District, Beijing	-	Wang Xiaoyi	010-88306069
	China Construction Bank Corporation Beijing Branch	Gate 4 and Gate 8, Dacheng Plaza, Building 28, Xuanwumen West Street, Xicheng District, Beijing	-	Ning Peilun	010-85768630
	China Construction Bank Corporation Tongzhou Branch	No. 25 Financial Street, Xicheng District, Beijing	-	Ning Peilun	010-85768630
	Dagong International Credit Rating Co.Ltd.	3F, Block A, Foreign Language Building, No.89 North Xisanhuan Road, Haidian District, Beijing	-	Qiu Jiwei	010-67413300

	Thornton LLP (Special General Partnership)	5/F, Scitech Plaza, No. 22 Jianguomenwai Street, Chaoyang District, Beijing	Liang Yinan, Bai jin	Liang Yinan	010-85665423
	Shanghai All Bright (Shenzhen) Law Offices	/F and 23/F, Building 1, Excellence Century Center, Fuhua 3rd Road, Futian District, Shenzhen	-	Wu Hui	0755-82816698

Whether the above agencies have changed during the reporting period

Yes No

4. Information on the use of raised funds

Unit: 10,000 RMB

Bond project name	Total amount of funds raised	Amount used	Amount unused	Operation of the special account for raised funds (if any)	Rectification of illegal use of raised funds (if any)	Whether it is consistent with the purpose, use plan and other agreements promised in the prospectus
First Issue of Receivables Green Asset-Backed Notes (Science and Technology Notes) of Beijing Oriental Yuhong Waterproof Technology	56,000	56,000	0	Normal	Not applicable	Yes



Co., Ltd.						
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Raised funds for construction projects

Applicable Not applicable

Oriental Yuhong's Phase 1 Accounts Receivable Green Asset Support Special Plan (Technological Innovation) raised a total of 560 million yuan, all of which are planned to be used to pay for the purchase of raw materials required for the production of the company's "green building material manufacturing" green industry projects. The fundraising project is the "technical transformation and upgrading project of the automatic production line of modified asphalt waterproof coatings with an annual output of 27 million square meters and 25,000 tons of asphalt waterproof coatings" of Qingdao Oriental Yuhong Building Materials Co., Ltd., a subsidiary of the company.

During the reporting period, the company changed the use of the funds raised from the above bonds

Applicable Not Applicable

5. Adjustment of credit rating results during the reporting period

Applicable Not Applicable

During the reporting period, Dagong International Credit Rating Co., Ltd. issued the "2023 Credit Rating Report of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. for " on July 10, 2023, which established the long-term credit rating of AAA for the main body of the Company with a stable rating outlook; it issued the "Credit Rating Report on the First Issue of Receivables Green Asset-Backed Notes (Science and Technology Notes) of Beijing Oriental Yuhong Waterproof Technology Co., Ltd." on November 17, 2022, which established the credit rating of AAAsf for the senior asset-backed notes.

6. The implementation and changes of guarantee, debt repayment plan and other debt repayment guarantee measures during the reporting period and the impact on the rights and interests of bond investors

Applicable Not Applicable

IV. Convertible corporate bonds

Applicable Not Applicable

During the reporting period, the Company did not have convertible corporate bonds.

V. The loss in the scope of consolidated statements during the reporting period exceeded 10% of the net assets at the end of the previous year

Applicable Not Applicable

VI. Overdue interest-bearing debts other than bonds at the end of the reporting period

Applicable Not Applicable

VII. Whether there is any violation of rules and regulations during the reporting period

Yes No

VIII. Major accounting data and financial indicators of the Company in the past two years as of the end of the reporting period

Unit: RMB 10,000

Item	At the end of the reporting period	At the end of previous year	Increase or decrease
Current ratio	1.65	1.47	12.24%
Debt asset ratio	43.90%	46.22%	-2.32%
Quick ratio	1.33	1.26	5.56%
	During this reporting period	During the previous reporting period	Increase or decrease
Net profit after deducting non-recurring gains and losses	184,072.42	180,276.33	2.11%
Ratio of EBITDA to total debt	51.15%	15.47%	35.68%
Interest coverage ratio	24.31	14.15	71.80%



Cash interest coverage ratio	24.56	6.54	275.54%
EBITDA interest coverage ratio	31.58	18.26	72.95%
Loan repayment rate	100.00%	100.00%	
Interest coverage ratio	100.00%	100.00%	

Chapter X Financial Reporting

I. Auditor's Report

The type of opinion	Standard unqualified opinion
Signing date	April 19, 2024
Auditor	Grant Thornton
Audit Report No.	ZTSZ (2024) No. 110A012773
Name of registered auditors	Liang Yinan, Luo Xiangqiang

Body of the report

Auditor's Report

GT (2024) No. 110A012773

To the shareholders of Beijing Oriental Yuhong Waterproof Technology CO., Ltd.

I. Auditor's opinion

We audited the financial statements of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (hereinafter referred to as Oriental Yuhong Company), which comprise the consolidated balance sheet as of December 31, 2023, the consolidated income statement, the consolidated statement of changes in shareholders' equity, the consolidated and corporate cash flow statement for FY2023, and notes to the relevant financial statements.

We believe that the attached financial statements prepared in accordance with the Accounting Standards for Business Enterprises in all major aspects fairly reflect the consolidated financial status of Oriental Yuhong Company as of December 31, 2023 and its consolidated and operating results as well as cash flow for FY2023.

II. Basis of our opinion

We conducted the audit in accordance with the Chinese Certified Public Accountants' Auditing Standards. The section titled "Certified Accountant's Responsibilities for the Audit of Financial Statements" of this report further elaborates on our responsibilities under these standards. In accordance with the Code of Professional Ethics for Chinese Certified Public Accountants, we have

fulfilled other responsibilities in terms of professional ethics as independent of the Oriental Yuhong company. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key audit matters

Key audit matters are those matters, in our professional judgment, are most significant in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of financial statements as a whole in forming our opinion thereto, but we do not provide a separate opinion on these matters.

i. Recognition of sales revenue of waterproof products and engineering construction

For details of relevant information disclosure, please refer to Note 3, 24 and Note 5, 44 of the financial statements.

1. Description of the matter

Oriental Yuhong Company is mainly engaged in the sales of waterproof coiled materials and coating products, engineering construction services. In 2023, the company's operating revenue was RMB 328.23 billion, including RMB 289.20 billion of sales revenue of waterproof products and RMB 32.44 billion of engineering construction revenue, accounting for 98% of the overall operating revenue. As the sales revenue of waterproof products and the revenue of engineering construction services are significant and constitute the key performance indicators for evaluating the operating conditions, there is a risk of revenue fraud caused by the management of Oriental Yuhong Company (hereinafter referred to as the "management") manipulating the revenue in order to achieve specific goals or expectations. We recognize the sales revenue of waterproof products and engineering construction as key audit matters.

2. Audit response

For the sales revenue of waterproof materials, the audit procedures we conducted mainly include:

- (1) Understanding and evaluating the Management's design of internal control regarding the sales process from the approval of sales orders to the accounting of sales revenue, and testing the implementation effectiveness of key controls;
- (2) Inquiring the management and check the sales contracts by sampling, analyzing the time point of control transfer related to the revenue recognition of waterproof products, and evaluating whether the revenue recognition policy of waterproof products conforms to the standards;
- (3) Carrying out general control test and application control test on the information system of Oriental Yuhong Company, of which the application control test on the information system mainly involves the integrity and accuracy tests of key business data related to sales business;



- (4) Analyzing the fluctuation of sales revenue, sales price, gross profit margin and changes in income of main clients of different waterproof products to evaluate the rationality of the fluctuation of sales revenue of waterproof products;
- (5) Checking the supporting documents related to the revenue recognition of waterproof products by sampling, including sales contracts, sales orders, sales delivery orders, goods receipts, sales invoices, etc., to confirm the authenticity of sales revenue;
- (6) Selecting samples to implement the confirmation procedure for the sales revenue of waterproof products;
- (7) For the sales revenue of waterproof products confirmed before and after the balance sheet date, selecting samples and checking their supporting documents such as sales delivery orders and goods receipts, so as to verify whether the sales revenue of waterproof products was recognized in an appropriate period;

For the construction revenue of waterproofing projects, the audit procedures we conducted mainly include:

- (1) Understanding and evaluating the management's design of internal control regarding the accounting of construction revenue and costs of waterproofing projects, and testing the effectiveness of the implementation of key controls, including internal controls of the actual project costs and the estimated total cost of the contract;
- (2) Obtaining the cost calculation sheet of engineering construction income, checking the total amount with the income cost Sub Ledger, and confirming the accuracy of the calculation sheet;
- (3) Checking the supporting documents such as the contract, invoice and goods receipt by sampling method in view of the actual cost of the construction project;
- (4) Conducting sampling inspection on the actual total cost of the completed project, comparing it with the estimated total contract cost of the project, and evaluating the rationality of the budgeted cost;
- (5) Selecting samples to check whether the total contract cost of the project under construction exceeds the total revenue, and reviewing the accuracy of the management's provision of the expected loss of the relevant contract;
- (6) Checking the supporting documents such as the goods receipt for the actual costs recognized before and after the balance sheet date to verify whether the actual costs are recognized in the appropriate period;
- (7) Selecting samples for field or video inventory of uncompleted projects to evaluate the rationality of the progress of uncompleted projects in the accounts.

ii. Accrual of credit impairment losses on accounts receivable and contract assets

For details of relevant information disclosure, please refer to notes 3 and 11, notes 5 and 4, and notes 5 and 9 of the financial statements.

1. Description of the matter

As of December 31, 2023, the total balance of accounts receivable and contract assets of Oriental Yuhong Company was RMB 13,946,000,000, and the balance of bad-debt provision of accounts receivable and contract assets totaled RMB 2,047,000,000. The management put businesses of the credit risk of same features into the same portfolio in terms of accounts receivable and contract assets, and measured loss reserves based on expected credit losses. The key assumptions involved include historical credit losses and expectations of future economic conditions.

As the management confirmed that the key assumptions for the expected credit losses of accounts receivable and contract assets were significant judgments, we consider the provision of credit impairment losses on accounts receivable and contract assets as a key audit matter.

2. Audit response

The audit procedures we implemented for the provision of credit impairment losses on accounts receivable and contract assets mainly include:

- (1) Evaluating and testing the effectiveness of the design and implementation of internal control in expected credit losses of accounts receivable and contract assets, including management's review, evaluation and determination of the classification of the accounts receivable and contract asset portfolio, as well as the internal control of critical assumption;
- (2) For accounts receivable and contract assets assessed by individual amounts, reviewing the basis for the management's assessment of expected credit losses based on factors such as the client's financial status, historical repayment records, and forecasts of future economic conditions; for the collateral assets, understanding and evaluating the collateral security of the collateral and the fairness of the value of the collateral;
- (3) For accounts receivable and contract assets that combine expected credit losses based on credit risk characteristics, reviewing the management's portfolio and the rationality of the expected credit loss estimated by the management based on historical credit loss and the current conditions as well as its definite forecast of future financial situation;
- (4) Comparing the amount of provision for bad debts in previous years with the actual amount of bad debts incurred, and evaluating the adequacy of the provision for expected credit losses of accounts receivable;
- (5) Selecting samples to implement the confirmation procedures for accounts receivable.

IV. Other information

The management of Oriental Yuhong Company (hereinafter referred to as “the management”) is responsible for other information. Other information includes the information provided in the 2023 annual report of the company, except the financial statements and our audit report.

Our audit opinions on the financial statements do not provide other information, and we do not provide any form of attestation on other information.

In our audit of the financial statements, our responsibility is to read other information, during which we consider whether the other information is materially inconsistent with the financial statements or with what we have learned during the audit or whether there seems to be a material misstatement.

Based on the work we have done, if we determine that there is a material misstatement of other information, we should report the facts. In this regard, we have no misstatement to report.

V. Responsibilities of management and governance for financial statements

The management of Oriental Yuhong Company is responsible for preparing financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises to result in a true and fair view of the business, and to design, implement and maintain necessary internal controls so that there are no major misstatements due to fraud or errors in the financial statements.

When preparing financial statements, the management is responsible for assessing the company’s ability for sustainable operations, disclosing matters related to sustainable operations (if applicable), and applying going concern assumptions, unless the management plans to liquidate the company, terminate its operations or resort to no other realistic choice.

The governance layer is responsible for supervising the financial reporting process of Oriental Yuhong Company.

VI. The responsibility of the certified public accountant for the audit of financial statements

Our goal is to obtain reasonable assurance as to whether there are no major misstatements due to fraud or errors in the overall financial statements, and to issue an audit report containing audit opinions. Reasonable assurance is a high-level assurance, which does not guarantee that an audit performed in accordance with the auditing standards will always find the major misstatement if there is any. Misstatements may be caused by fraud or errors. If it is reasonably expected that the misstatements, individually or collectively, may affect the financial decisions by the users of financial statements, such misstatement is generally considered to be material.

In the process of performing audit work in accordance with audit standards, we work with professional judgment and maintain professional skepticism. At the same time, we also undertook the following tasks:

- (1) Identifying and assessing the risk of material misstatement of financial statements due to fraud or errors, designing and implementing audit procedures to deal with these risks, and obtaining sufficient and appropriate audit evidence as the basis for providing audit opinions. Since fraud may involve collusion, forgery, deliberate omission, misrepresentation or overriding internal control, the risk of failing to detect material misstatement due to fraud is higher than the risk of failing to detect material misstatement due to errors.
- (2) Understanding the internal control related to the audit in order to design appropriate audit procedures.
- (3) Evaluating the appropriateness of the accounting policies used by the management and the reasonableness of accounting estimates and related disclosures.
- (4) Drawing conclusions on the appropriateness of management's use of going concern assumptions. At the same time, based on the obtained audit evidence, conclusions can be drawn on whether there are major uncertainties in matters or circumstances about Oriental Yuhong Company as a going concern. If we concluded that there is significant uncertainty, the auditing standards require us in the audit report to draw the users' attention to the relevant disclosures in the financial statements; if the disclosure is insufficient, we should provide a non-unqualified opinion. Our conclusions were based on the information available as of the date of the audit report. However, future events or circumstances may result in the inability of Oriental Yuhong Company in continuing the business.
- (5) Evaluating the overall presentation, structure and content of the financial statements, and evaluating whether the financial statements present fair view of the relevant transactions and events.
- (6) Obtaining sufficient and appropriate audit evidence of the financial information in the entities or business activities of Oriental Yuhong Company to provide opinions on the financial statements. We were responsible for directing, supervising and performing group audits, and assumed full responsibility for the audit opinions.

We communicated with the management on the planned audit scope, timing and major audit findings, including the notable internal control deficiencies we have identified during the audit.

We also provided a statement to the governance that we have complied with the professional ethics requirements in terms of the independence, and communicated with the governance all relationships and other matters that may be reasonably believed to affect our independence, as well as related preventive measures (if applicable).

From the matters we communicated with the governance layer, we determined which matters were the most important to the audit of the financial statements of the current period, and thus constituted



key audit matters. We described these matters in the audit report, unless laws and regulations prohibit public disclosure of these matters, or in rare cases, if the negative consequences of communicating a matter in the audit report are reasonably expected to outweigh the public interest benefits, we determine the matter should not be discussed in the audit report.

Grant Thornton (Limited Liability Partnership)	China's Certified Public Accountant (Engagement partner)
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Beijing, China	China's Certified Public Accountant
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April 18, 2024



II. Financial Statements

Currency Unit in the Notes to Financial Statements: RMB

1. Consolidated Balance Sheet

Prepared by: Beijing Oriental Yuhong Waterproof Technology Co., Ltd.

December 31, 2023

Unit: RMB

Items	December 31, 2023	January 1, 2023
Current Assets:		
Monetary Funds	9,119,500,669.37	10,539,216,758.55
Provision of Settlement Funds		
Loans to Other Banks		
Trading Financial Assets	635,900,187.31	607,088,731.43
Derivative Financial Assets		
Notes Receivable	616,796,605.78	508,238,462.51
Accounts Receivable	9,568,035,962.61	10,878,566,767.30
Receivable Financing	1,784,663,766.70	1,591,548,416.80
Advance Payments	1,077,697,570.08	844,966,767.95
Premiums Receivable		
Reinsurance Premiums Receivable		
Reserves for Reinsurance Contract Receivable		
Other Receivables	4,075,587,334.21	2,144,045,524.14
Of which: Interest Receivable		
Dividends Receivable		6,384,843.30



Buying Back the Sale of Financial Assets		
Stock	2,510,642,499.99	1,574,778,289.08
Contract Assets	2,330,825,043.75	3,039,361,835.80
Assets Held for Sale		
Non-current Assets Due within One Year		
Other Current Assets	859,514,244.77	618,478,594.62
Total Current Assets	32,579,163,884.57	32,346,290,148.18
Non-current Assets:		
Loans and Advances Disbursed		
Debt Investment		1,650,000,000.00
Other Debt Investment		
Long-term Receivables		
Long-term Equity Investment	81,333,251.92	199,982,208.47
Other Equity Instrument Investments	255,881,060.28	285,181,767.02
Other Non-current Financial Assets	262,572,338.19	62,588,195.83
Investment Real Estate		
Fixed Assets	10,452,504,002.75	8,563,291,329.36
Construction in Progress	1,369,715,204.57	2,049,330,481.21
Productive Biological Assets		
Oil and Gas Assets		



Right-of-use Assets	200,044,186.47	169,202,828.43
Intangible Assets	2,268,297,121.66	2,191,235,059.64
Development Expenditure		
Goodwill	344,571,374.96	150,279,890.81
Long-term Unamortized Expenses	39,198,056.69	72,932,831.46
Deferred Tax Assets	980,776,688.54	732,040,620.06
Other Non-current Assets	2,339,936,424.17	2,118,417,546.66
Total Non-current Assets	18,594,829,710.20	18,244,482,758.95
Total Assets	51,173,993,594.77	50,590,772,907.13
Current Liabilities:		
Short-term Borrowings	4,998,624,477.72	6,254,330,925.83
Borrowings from Central Bank		
Loans from Other Banks		
Trading Financial Liabilities		
Derivative Financial Liabilities		
Notes Payable	818,240,802.46	588,252,536.00
Accounts Payable	3,479,052,197.30	3,900,933,993.77
Advance Receipts		
Contract Liabilities	3,572,713,013.28	3,323,551,390.16
Financial Assets Sold for Repurchase		
Receipt of Deposits and		



Deposits from Other Banks		
Funds Received as Agent of Stock Exchange		
Funds Received as Agent of Stock Underwriting		
Employee Compensation Payable	139,795,646.25	122,873,318.12
Taxes Payable	606,440,395.43	627,685,861.18
Other Payables	5,432,456,328.55	6,186,392,139.52
Of which: Interest Payable		
Dividends Payable	39,800.00	39,800.00
Handling Charges and Commission Payable		
Reinsurance Premiums Payable		
Liabilities Held for Sale		
Non-current Liabilities Due within One Year	297,410,773.72	578,359,075.32
Other Current Liabilities	392,518,847.25	379,020,870.56
Total Current Liabilities	19,737,252,481.96	21,961,400,110.46
Non-current Liabilities:		
Reserves for Insurance Contract		
Long-term Borrowings	1,708,670,178.55	543,920,486.11
Bonds Payable		



Of which: Preferred Shares		
Perceptual Bonds		
Lease Liabilities	177,044,897.51	150,551,421.42
Long-term Payables	52,560,000.00	54,020,000.00
Long-term Employee Compensation Payable		
Estimated Liabilities	58,906,953.01	36,446,059.05
Deferred Income	689,812,262.93	610,423,884.71
Deferred Tax Liabilities	42,938,699.14	43,862,422.15
Other Non-current Liabilities		
Total Non-current Liabilities	2,729,932,991.14	1,439,224,273.44
Total Liabilities	22,467,185,473.10	23,400,624,383.90
Owners' Equity:		
Share Capital	2,518,464,191.00	2,518,464,191.00
Other Equity Instruments		
Of which: Preferred Shares		
Perceptual Bonds		
Capital Reserves	10,422,186,648.49	10,721,493,283.54
Minus: Treasury Shares	1,242,192,156.53	1,121,608,787.15
Other Comprehensive Income	-15,145,802.14	24,057,640.43
Appropriative Reserves		
Surplus Reserves	592,009,699.39	543,872,112.34
General Risk Reserves		



Undistributed Profits	16,098,691,927.30	14,122,557,990.99
Total Owners' Equity Attributable to the Parent Company	28,374,014,507.51	26,808,836,431.15
Minority Interests	332,793,614.16	381,312,092.08
Total Owners' Equity	28,706,808,121.67	27,190,148,523.23
Total Liabilities and Owners' Equity	51,173,993,594.77	50,590,772,907.13

Legal Representative: Li Weiguo Competent Accounting Head: Xu Wei Accounting Agency Head: Xu Wei

2. Balance Sheet of the Parent Company

Unit: RMB

Items	December 31, 2023	January 1, 2023
Current Assets:		
Monetary Funds	4,786,210,394.27	4,805,056,462.13
Trading Financial Assets	635,900,187.31	607,088,731.43
Derivative Financial Assets		
Notes Receivable	40,609,004.49	41,541,560.80
Accounts Receivable	2,236,497,043.33	3,092,903,601.87
Receivable Financing	104,063,028.77	145,455,406.93
Advance Payments	143,371,233.96	158,074,071.45
Other Receivables	13,278,403,865.39	11,336,618,020.32
Of which: Interest Receivable	150,117,184.69	111,633,577.71
Dividends Receivable	1,100,000,000.00	1,806,384,843.30
Stock	26,401,245.21	35,663,183.12
Contract Assets		



Assets Held for Sale		
Non-current Assets Due within One Year		
Other Current Assets	177,175,713.81	101,075,209.76
Total Current Assets	21,428,631,716.54	20,323,476,247.81
Non-current Assets:		
Debt Investment		1,650,000,000.00
Other Debt Investment		
Long-term Receivables		
Long-term Equity Investment	6,097,436,312.78	5,314,401,905.02
Other Equity Instrument Investments	252,533,621.48	262,468,192.09
Other Non-current Financial Assets		
Investment Real Estate		
Fixed Assets	849,031,931.33	934,778,718.95
Construction in Progress	165,426,195.72	92,529,005.60
Productive Biological Assets		
Oil and Gas Assets		
Right-of-use Assets	68,436,944.54	70,196,060.78
Intangible Assets	74,863,533.23	81,869,069.88
Development Expenditure		
Goodwill		
Long-term Unamortized Expenses	6,175,029.14	1,493,656.49



Deferred Tax Assets	385,883,934.72	259,674,480.95
Other Non-current Assets	704,861,384.33	498,681,084.64
Total Non-current Assets	8,604,648,887.27	9,166,092,174.40
Total Assets	30,033,280,603.81	29,489,568,422.21
Current Liabilities:		
Short-term Borrowings	1,384,259,737.32	2,206,552,762.46
Trading Financial Liabilities		
Derivative Financial Liabilities		
Notes Payable	604,929,724.07	631,670,819.51
Accounts Payable	247,258,960.08	859,127,430.42
Advance Receipts		
Contract Liabilities	458,846,440.10	724,161,364.78
Employee Compensation Payable	33,500,548.59	34,285,202.26
Taxes Payable	25,223,916.93	28,253,583.27
Other Payables	11,841,410,308.91	9,567,085,596.59
Of which: Interest Payable		
Dividends Payable	39,800.00	39,800.00
Liabilities Held for Sale		
Non-current Liabilities Due within One Year	134,727,870.07	403,685,164.37
Other Current Liabilities	58,635,914.50	94,140,977.43
Total Current Liabilities	14,788,793,420.57	14,548,962,901.09



Non-current Liabilities:		
Long-term Borrowings	790,000,000.00	310,667,000.00
Bonds Payable		
Of which: Preferred Shares		
Perceptual Bonds		
Lease Liabilities	68,038,933.13	69,377,868.44
Long-term Payables	52,560,000.00	54,020,000.00
Long-term Employee Compensation Payable		
Estimated Liabilities	17,047,028.35	7,212,437.54
Deferred Income		
Deferred Tax Liabilities	12,716,446.38	21,061,922.03
Other Non-current Liabilities		
Total Non-current Liabilities	940,362,407.86	462,339,228.01
Total Liabilities	15,729,155,828.43	15,011,302,129.10
Owners' Equity:		
Share Capital	2,518,464,191.00	2,518,464,191.00
Other Equity Instruments		
Of which: Preferred Shares		
Perceptual Bonds		
Capital Reserves	10,561,580,738.23	10,802,327,675.31
Minus: Treasury Shares	1,242,192,156.53	1,121,608,787.15
Other Comprehensive Income	13,070,625.03	58,197,963.28



Appropriative Reserves		
Surplus Reserves	592,009,699.39	543,872,112.34
Undistributed Profits	1,861,191,678.26	1,677,013,138.33
Total Owners' Equity	14,304,124,775.38	14,478,266,293.11
Total Liabilities and Owners' Equity	30,033,280,603.81	29,489,568,422.21

3.Consolidated Income Statement

Unit: RMB

Items	2023	2023
I. Gross Revenue	32,822,528,108.42	31,213,835,246.24
Of which: Total Operating Income	32,822,528,108.42	31,213,835,246.24
Interest Income		
Earned Premiums		
Fee and Commission Income		
II. Total Operating Cost	29,269,521,396.08	28,678,349,490.15
Of which: Operating Cost	23,734,860,930.14	23,171,493,352.71
Interest Expenditure		
Fee and Commission Expenses		
Surrender Value		
Net Payments for Insurance Claims		



Net Amount of Insurance Contract Provisions		
Policy Dividend Payments		
Reinsurance Expenses		
Tax and Extra	282,840,329.87	252,767,386.53
Selling Expenses	2,978,178,436.64	2,657,678,372.46
Administrative Expenses	1,539,428,589.42	1,794,863,621.04
R&D Expenses	605,651,087.44	556,315,937.11
Financial Expenses	128,562,022.57	245,230,820.30
Of which: Interest Expenses	126,722,473.01	197,928,387.12
Interest Income	52,252,700.91	71,272,385.61
Plus: Other Income	489,314,748.36	452,621,657.92
Investment Income (Loss Presented in "-")	-45,403,279.75	-11,961,014.23
Of which: Investment Income from Associated Enterprises and Joint Ventures	3,101,561.19	6,433,503.63
Income from Derecognition of Financial Assets Measured at Amortized Cost		
Exchange Gain (Loss Presented in "-")		



Net Exposure to Hedging Gain (Loss Presented in "-")		
Income from Changes in Fair Value (Loss Presented in "-")	-10,930,453.26	-4,868,566.98
Credit Impairment Loss (Loss Presented in "-")	-752,701,974.83	-314,897,067.73
Asset Impairment Loss (Loss Presented in "-")	-286,102,971.83	-77,765,139.67
Asset Disposal Income (Loss Presented in "-")	1,338,374.07	390,865.78
III. Operating Income (Loss Presented in "-")	2,948,521,155.10	2,579,006,491.18
Plus: Non-operating Income	47,995,172.47	59,727,498.98
Minus: Non-operating Expenses	43,046,758.26	35,339,634.99
V. Total Profit (Loss Presented in "-")	2,953,469,569.31	2,603,394,355.17
Minus: Income Tax Expenses	666,493,545.10	484,508,685.88
V. Net Profit (Loss Presented in "-")	2,286,976,024.21	2,118,885,669.29
(i) By Business Continuity		
1. Net Profit from Continuing Operations (Net Loss Presented in "-")	2,286,976,024.21	2,118,885,669.29
2. Net Profit from Discontinued Operations (Net Loss Presented in "-")		
(ii) By Ownership		
1. Net Profit Attributable to the Shareholders of the Parent Company	2,273,331,266.86	2,121,353,829.27



2. Minority Interest Income	13,644,757.35	-2,468,159.98
VI. Net of Tax of Other Comprehensive Income	-39,163,013.04	-1,763,696.37
Net of Tax of Other Comprehensive Income Attributable to the Owners of the Parent Company	-39,203,442.57	-1,722,412.10
(i) Other Comprehensive Income that Cannot be Reclassified into Profit and Loss	-44,533,903.91	-4,816,276.30
1. Remeasurement of Changes in Defined Benefit Plans		
2. Other Comprehensive Income that Cannot be Transferred into Profit and Loss under the Equity Method	-12,091.75	0.00
3. Changes in Fair Value of Other Equity Instrument Investments	-44,521,812.16	-4,816,276.30
4. Changes in Fair Value of Enterprise's Own Credit Risk		
5. Others		
(ii) Other Comprehensive Income Reclassified into Profit and Loss	5,330,461.34	3,093,864.20
1. Other Comprehensive Income Transferrable into Profit and Loss under the Equity Method		
2. Changes in Fair Value of Debt Investments		



3. Amount of Financial Assets Reclassified into Other Comprehensive Income		
4. Credit Impairment Reserves for Other Debt Investments		
5. Cash Flow Hedging Reserves		
6. Translation Differences of Foreign Currency Financial Statements	5,330,461.34	3,093,864.20
7. Others		
Net of Tax of Other Comprehensive Income Attributable to Minority Shareholders	40,429.53	-41,284.27
VII. Total Comprehensive Income	2,247,813,011.17	2,117,121,972.92
Total Comprehensive Income Attributable to the Owners of the Parent Company	2,234,127,824.29	2,119,631,417.17
Total Comprehensive Income Attributable to Minority Shareholders	13,685,186.88	-2,509,444.25
V. Earnings Per Share:		
(I) Basic Earnings Per Share	0.91	0.85
(II) Diluted Earnings Per Share	0.90	0.84

In case of any combination of enterprises under the same controlling party in the current period, the net profit realized by the combined party before the combination is: RMB, and the net profit realized by the combined party in the previous period is: RMB.

Legal Representative: Li Weiguo Competent Accounting Head: Xu Wei Accounting Agency Head: Xu Wei

4. Income Statement of the Parent Company

Unit: RMB



Items	2023	2022
I. Operating Income	5,082,972,865.59	5,679,341,233.60
Minus: Operating Cost	4,445,239,085.48	4,878,886,253.41
Tax and Extra	8,304,913.30	13,127,420.01
Selling Expenses	443,118,810.40	468,646,602.52
Administrative Expenses	506,982,282.83	516,238,511.73
R&D Expenses	143,350,702.11	112,487,106.56
Financial Expenses	6,823,853.23	60,521,515.00
Of which: Interest Expenses	72,323,628.57	110,942,483.94
Interest Income	77,403,039.44	91,548,821.45
Plus: Other Income	19,739,520.43	25,779,894.75
Investment Income (Loss Presented in "-")	1,091,002,374.05	1,825,479,477.99
Of which: Investment Income from Associated Enterprises and Joint Ventures	-934,307.43	6,256,208.54
Income from Derecognition of Financial Assets Measured at Amortized Cost (Loss Presented in "-")		
Net Exposure to Hedging Gain (Loss Presented in "-")		
Income from Changes in Fair Value (Loss Presented in "-")	-914,595.62	-4,812,273.63



Credit Impairment Loss (Loss Presented in "-")	-236,537,698.02	-134,730,398.27
Asset Impairment Loss (Loss Presented in "-")	-54,371,369.66	-2,968,716.16
Asset Disposal Income (Loss Presented in "-")	-91,920.96	-621,628.33
II. Operating Profit (Loss Presented in "-")	347,979,528.46	1,337,560,180.72
Plus: Non-operating Income	7,762,926.76	4,179,077.39
Minus: Non-operating Expenses	9,142,000.96	371,272.56
III. Total Profit (Total Loss Presented in "-")	346,600,454.26	1,341,367,985.55
Minus: Income Tax Expenses	-134,775,416.22	-167,418,053.79
IV. Net Profit (Net Loss Presented in "-")	481,375,870.48	1,508,786,039.34
(i) Net Profit from Continuing Operations (Net Loss Presented in "-")	481,375,870.48	1,508,786,039.34
(ii) Net Profit from Discontinued Operations (Net Loss Presented in "-")		
V. Net of Tax of Other Comprehensive Income	-45,127,338.25	-2,938,800.72
(i) Other Comprehensive Income that Cannot be Reclassified into Profit and Loss	-45,127,338.25	-2,938,800.72
1. Remeasurement of Changes in Defined Benefit Plans		



2. Other Comprehensive Income that Cannot be Transferred into Profit and Loss under the Equity Method	-12,091.75	0.00
3. Changes in Fair Value of Other Equity Instrument Investments	-45,115,246.50	-2,938,800.72
4. Changes in Fair Value of Enterprise's Own Credit Risk		
5. Others		
(II) Other Comprehensive Income Reclassified into Profit and Loss		
1. Other Comprehensive Income Transferrable into Profit and Loss under the Equity Method		
2. Changes in Fair Value of Debt Investments		
3. Amount of Financial Assets Reclassified into Other Comprehensive Income		
4. Credit Impairment Reserves for Other Debt Investments		
5. Cash Flow Hedging Reserves		
6. Translation Differences of Foreign Currency Financial Statements		
7. Others		
VI. Total Comprehensive Income	436,248,532.23	1,505,847,238.62



VII. Earnings Per Share:		
(I) Basic Earnings Per Share		
(II) Diluted Earnings Per Share		

5. Consolidated Cash Flow Statement

Unit: RMB

Items	2023	2022
I. Cash Flows from Operating Activities		
Cash Received from Sales of Goods or Rendering of Services	33,342,010,256.55	32,619,284,986.49
Net Increase in Client Deposits and Deposits from Other Banks		
Net Increase in Borrowings from Central Bank		
Net Increase in Loans from Other Financial Institutions		
Cash Received from Original Insurance Contract Premiums		
Net Cash from Reinsurance Business		
Net Increase in Policy Holder Deposits and Investment Funds		
Cash Received from Interest, Handling Charges, and Commission		
Net Increase in Loans from Other Banks		
Net Increase in Repurchase Business Funds		



Net Cash from Funds Received as Agent of Stock Exchange		
Tax Refunds Received	14,952,232.24	24,079,554.06
Cash Received Relating to Other Operating Activities	1,108,080,377.70	2,222,091,922.90
Subtotal of Cash Inflows from Operating Activities	34,465,042,866.49	34,865,456,463.45
Cash Paid for Purchase of Goods and Receipt of Services	22,940,230,448.60	25,168,470,891.08
Net Increase in Loans and Advances to Clients		
Net Increase in Deposits in Central Bank and Other Banks		
Cash Paid for Original Insurance Contract Claims		
Net Increase in Loans to Other Banks		
Cash Paid for Interest, Handling Charges, and Commission		
Cash Paid for Policy Dividends		
Cash Paid to and on Behalf of Employees	3,093,467,769.50	3,142,181,591.71
Tax Payments	2,538,826,886.33	2,770,693,112.26
Cash Paid Relating to Other Operating Activities	3,789,320,122.45	3,130,098,104.44
Subtotal of Cash Outflows from Operating Activities	32,361,845,226.88	34,211,443,699.49
Net Cash Flows from Operating Activities	2,103,197,639.61	654,012,763.96



II. Cash Flows from Investment Activities:		
Cash Received from Disposal of Investments	701,357,441.00	1,169,312,543.63
Cash Received from Returns on Investments	25,343,407.94	15,234,623.54
Net Cash Received from Disposal of Fixed Assets, Intangible Assets, and Other Long-term Assets	52,027,023.75	49,865,780.25
Net Cash Received from Disposal of Subsidiaries and Other Business Entities	14,727,113.41	
Cash Received to Other Investment Activities	1,468,789,329.00	1,132,387,730.41
Subtotal of Cash Inflows from Investment Activities	2,262,244,315.10	2,366,800,677.83
Cash Paid for Purchase of Fixed Assets, Intangible Assets, and Other Long-term Assets	1,884,467,195.47	4,222,678,234.05
Cash Paid to Acquire Investments	1,012,791,186.07	32,026,362.32
Net Increase in Pledge Loans		
Net Cash Paid to Acquire Subsidiaries and Other Business Entities	182,856,786.27	83,741,994.98
Cash Paid Relating to Other Investment Activities	1,000,000,000.00	2,757,000,000.00
Subtotal of Cash Outflows from Investment Activities	4,080,115,167.81	7,095,446,591.35
Net Cash Flows from Investment Activities	-1,817,870,852.71	-4,728,645,913.52
III. Cash Flows from Financing Activities:		



Cash Received from Capital Contributions	49,368,000.00	6,988,000.66
Of which: Cash from Minority Shareholders' Investment in Subsidiaries	49,368,000.00	0.00
Cash Received from Borrowings	7,179,879,121.09	8,873,367,935.98
Cash Received Relating to Other Financing Activities	204,843,821.68	890,180,745.00
Subtotal of Cash Inflows from Financing Activities	7,434,090,942.77	9,770,536,681.64
Cash Paid for Repayment of Debts	7,548,955,876.76	8,961,075,338.40
Cash Paid for Distribution of Dividends, Profits, or Cash Payments of Interests	385,256,310.10	862,568,616.79
Of which: Dividends and Profits Paid to Minority Shareholders by Subsidiaries	10,192,829.60	
Cash Paid Relating to Other Financing Activities	1,054,690,614.38	976,173,128.86
Subtotal of Cash Outflows of Financing Activities	8,988,902,801.24	10,799,817,084.05
Net Cash Flows from Financing Activities	-1,554,811,858.47	-1,029,280,402.41
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	5,793,993.48	-13,896,673.43
V. Net Increase in Cash and Cash Equivalents	-1,263,691,078.09	-5,117,810,225.40
Plus: Opening Balance of Cash and Cash Equivalents	9,740,507,537.27	14,858,317,762.67
VI. Balance of Cash and Cash	8,476,816,459.18	9,740,507,537.27



Equivalents		
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6. Cash Flow Statement of the Parent Company

Unit: RMB

Items	2023	2022
I. Cash Flows from Operating Activities		
Cash Received from Sales of Goods or Rendering of Services	6,026,067,506.46	7,564,522,811.01
Tax Refunds Received	14,952,232.24	12,482,783.00
Cash Received Relating to Other Operating Activities	3,133,872,063.90	2,191,407,685.50
Subtotal of Cash Inflows from Operating Activities	9,174,891,802.60	9,768,413,279.51
Cash Paid for Purchase of Goods and Receipt of Services	5,612,634,630.24	6,640,107,478.42
Cash Paid to and on Behalf of Employees	604,189,289.50	735,596,686.48
Tax Payments	82,920,887.43	188,753,011.29
Cash Paid Relating to Other Operating Activities	1,889,102,359.68	4,642,391,523.26
Subtotal of Cash Outflows from Operating Activities	8,188,847,166.85	12,206,848,699.45
Net Cash Flows from Operating Activities	986,044,635.75	-2,438,435,419.94
II. Cash Flows from Investment Activities:		
Cash Received from Disposal of Investments	144,619,136.28	1,162,506,355.07
Cash Received from Returns on Investments	1,760,969,192.54	24,701,023.82



Net Cash Received from Disposal of Fixed Assets, Intangible Assets, and Other Long-term Assets	839,587.63	371,862.15
Net Cash Received from Disposal of Subsidiaries and Other Business Entities		
Cash Received to Other Investment Activities	1,317,799,329.00	241,206,793.36
Subtotal of Cash Inflows from Investment Activities	3,224,227,245.45	1,428,786,034.40
Cash Paid for Purchase of Fixed Assets, Intangible Assets, and Other Long-term Assets	212,993,217.42	551,189,185.01
Cash Paid to Acquire Investments	1,188,101,717.37	985,192,890.61
Net Cash Paid to Acquire Subsidiaries and Other Business Entities	0.00	0.00
Cash Paid Relating to Other Investment Activities	900,000,000.00	1,887,000,000.00
Subtotal of Cash Outflows from Investment Activities	2,301,094,934.79	3,423,382,075.62
Net Cash Flows from Investment Activities	923,132,310.66	-1,994,596,041.22
III. Cash Flows from Financing Activities:		
Cash Received from Capital Contributions	0.00	6,988,000.66
Cash Received from Borrowings	2,301,659,737.32	4,572,219,762.46
Cash Received Relating to Other Financing Activities	0.00	890,000,000.00



Subtotal of Cash Inflows from Financing Activities	2,301,659,737.32	5,469,207,763.12
Cash Paid for Repayment of Debts	2,915,219,762.46	4,606,616,530.41
Cash Paid for Distribution of Dividends, Profits, or Cash Payments of Interests	320,688,856.88	861,644,883.32
Cash Paid Relating to Other Financing Activities	959,533,347.77	900,326,061.33
Subtotal of Cash Outflows of Financing Activities	4,195,441,967.11	6,368,587,475.06
Net Cash Flows from Financing Activities	-1,893,782,229.79	-899,379,711.94
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents		
V. Net Increase in Cash and Cash Equivalents	15,394,716.62	-5,332,411,173.10
Plus: Opening Balance of Cash and Cash Equivalents	4,582,534,911.42	9,914,946,084.52
VI. Balance of Cash and Cash Equivalents	4,597,929,628.04	4,582,534,911.42

7. Consolidated Statement of Changes in Equity

Current Amount

Unit: RMB

Item s	2023												Mino rity Inter	Total Own ers'
	Owners' Equity Attributable to the Parent Company													
	Shar e	Other Equity Instruments	Capit al	Minu s:	Othe r	Appr opria	Surpl us	Gene ral	Undi strib	Othe rs	Subt otal			



	Capital	Preferred Shares	Perceptual Bonds	Others	Reserves	Treasury Shares	Comprehensive Income	Reserves	Risk Reserves	Reserves	Profits			ests	Equity	
I. Closing Balance of Previous Period	2,518,464,191.00				10,721,493,283.54	1,121,608,787.15	24,057,640.43	543,872,112.34			14,122,557,990.99			26,808,836,431.15	381,312,092.08	27,190,148,523.23
Plus: Changes in Accounting Policies																
Corrections of Prior Period Errors																



thers															
II. Open ing Bala nce of Curr ent Perio d	2,518 ,464, 191.0 0			10,72 1,493 ,283. 54	1,121 ,608, 787.1 5	24,05 7,640 .43		543,8 72,11 2.34		14,12 2,557 ,990. 99		26,80 8,836, 431.1 5	381,3 12,09 2.08	27,19 0,148 ,523. 23	
III. Chan ges in the Incre ase or Decr ease for the Curr ent Perio d (Dec rease Prese nted in "- ")				- 299,3 06.63 5.05	120,5 83,36 9.38	- 39,20 3,442 .57		48,13 7,587 .05		1,976 ,133, 936.3 1		1,565, 178,0 76.36	- 48,51 8,477 .92	1,516 ,659, 598.4 4	



(III) Profi t Distr ibuti on									48,13 7,587 .05		- 297,1 97,33 0.55		- 249,0 59,74 3.50	- 10,19 2,829 .60	- 259,2 52,57 3.10
1. With draw als of Surpl us Rese rves									48,13 7,587 .05		- 48,13 7,587 .05		0.00		0.00
2. With draw als of Gene ral Risk Rese rves															
3. Distr ibuti on to the Own ers (or the Shar ehol ders)											- 249,0 59,74 3.50		- 249,0 59,74 3.50	- 10,19 2,829 .60	- 259,2 52,57 3.10



4. Othe rs															
(IV) Bala nce Dow n of the Own ers' Equit y															
1. Conv ersio n of Capit al Rese rves into Capit al (or Equit y)															



2. Conv ersio n of Surpl us Rese rves into Capit al (or Equit y)																			
3. Loss es Mad e up With Surpl us Rese rves																			



4. Chan ges in Defi ned Bene fit Plans Carri ed Forw ard to Retai ned Earni ngs															
5. Othe r Com preh ensiv e Inco me Carri ed Forw ard to Retai ned Earni ngs															
6. Othe															



rs															
(V) Appropriative Reserves															
1. Amount Withdrawn for the Current Period															
2. Amount Used for the Current Period															
(VI) Others															



IV. Closi ng Bala nce of Curr ent Perio d	2,518 ,464, 191.0 0				10,42 2,186 ,648. 49	1,242 ,192, 156.5 3	- 15,14 5,802 .14		592,0 09,69 9.39		16,09 8,691 ,927. 30	28,37 4,014, 507.5 1	332,7 93,61 4.16	28,70 6,808 ,121. 67
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Amount of Previous Period

Unit: RMB

Item s	2022														
	Owners' Equity Attributable to the Parent Company												Mino rity Inter ests	Total Own ers' Equit y	
	Shar e Capit al	Other Equity Instruments			Shar e Capit al	Othe r Equit y Instr ume nts	Capit al Rese rves	Minu s: Treas ury Shar es	Othe r Com preh ensiv e Inco me	Appr opria tive Rese rves	Surpl us Rese rves	Gene ral Risk Rese rves			Undi strib uted Profi ts
Prefe rred Shar es		Perc eptua l Bond s	Othe rs												
I. Closi ng Bala nce of Previ ous Perio d	2,52 1,20 4,70 3.00				10,7 94,5 48,9 98.5 3	344, 130, 962. 30	25,7 80,0 52.5 3		392, 980, 880. 64		12,9 04,0 11,4 18.1 4		26,29 4,395 ,090. 54	389, 266, 034. 87	26,6 83,6 61,1 25.4 1



(ii) Capital Invested and Reduced by the Owners	- 2,740,512.00				- 73,055,714.99	777, 477,824.85							- 853,274,051.84	- 5,467,836.11	- 858,741,887.95
1. Common Shares Invested by the Owners	144,413.00				6,843,732.07								6,988,145.07		6,988,145.07
2. Capital Invested by Other Instrument Holders															



1. With draw als of Surpl us Rese rves										150, 878, 603. 93	- 150, 878, 603. 93			
2. With draw als of Gene ral Risk Rese rves														
3. Distr ibuti on to the Own ers (or the Shar ehol ders)											- 752, 513, 589. 30	- 752,5 13,58 9.30		- 752, 513, 589. 30
4. Othe rs														



3. Losses Made up With Surplus Reserves																			
4. Changes in Defined Benefit Plans Carried Forward to Retained Earnings																			



5. Othe r Com preh ensiv e Inco me Carri ed Forw ard to Retai ned Earni ngs																				
6. Othe rs																				
(V) Appr opria tive Rese rves																				
1. Amo unt With draw n for the Curr ent Perio																				



d															
2. Amount Used for the Current Period															
(VI) Others															
IV. Closing Balance of Current Period	2,51 8,46 4,19 1.00				10,7 21,4 93,2 83.5 4	1,12 1,60 8,78 7.15	24,0 57,6 40.4 3		543, 872, 112. 34		14,1 22,5 57,9 90.9 9		26,80 8,836 ,431. 15	381, 312, 092. 08	27,1 90,1 48,5 23.2 3

8. Changes in Equity of the Parent Company

Current Amount

Unit: RMB



Items	2023											
	Share Capital	Other Equity Instruments			Share Capital	Other Equity Instruments	Capital Reserves	Minus: Treasury Shares	Other Comprehensive Income	Appropriative Reserves	Surplus Reserves	Undistributed Profits
		Preferred Shares	Perceptual Bonds	Others								
I. Closing Balance of Previous Period	2,518,464,191.00				10,802,327,675.31	1,121,608,787.15	58,197,963.28		543,872,112.34	1,677,013,138.33		14,478,266,293.11
Plus: Changes in Accounting Policies												
Corrections of Prior Period Errors												
Others												



II. Openi ng Balanc e of Curren t Period	2,518, 464,19 1.00				10,802 ,327,6 75.31	1,121, 608,78 7.15	58,197 ,963.2 8		543,87 2,112. 34	1,677, 013,13 8.33		14,478 ,266,2 93.11
III. Chang es in the Increas e or Decrea se for the Curren t Period (Decre ase Presen ted in "-")					- 240,74 6,937. 08	120,58 3,369. 38	- 45,127 ,338.2 5		48,137 ,587.0 5	184,17 8,539. 93		- 174,14 1,517. 73
(i) Total Compr ehensi ve Incom e							- 45,127 ,338.2 5			481,37 5,870. 48		436,24 8,532. 23



olders)												
3. Others												
(iv) Balanc e Down of the Owner s' Equity												
1. Conve rsion of Capital Reserv es into Capital (or Equity)												



2. Conve rsion of Surplu s Reserv es into Capital (or Equity)												
3. Losses Made up With Surplu s Reserv es												
4. Chang es in Define d Benefi t Plans Carrie d Forwar d to Retain ed Earnin gs												



5. Other Compr ehensi ve Incom e Carrie d Forwar d to Retain ed Earnin gs												
6. Others												
(v) Appro priativ e Reserv es												
1. Amou nt Withdr awn for the Curren t Period												



2. Amou nt Used for the Curren t Period												
(vi) Others												
IV. Closin g Balanc e of Curren t Period	2,518, 464,19 1.00				10,561 ,580,7 38.23	1,242, 192,15 6.53	13,070 ,625.0 3		592,00 9,699. 39	1,861, 191,67 8.26		14,304 ,124,7 75.38

Amount of Previous Period

Unit: RMB

Items	2022											
	Share Capital	Other Equity Instruments			Share Capital	Other Equity Instru ments	Capital Reserv es	Minus: Treasu ry Shares	Other Compr ehensi ve Incom e	Appro priativ e Reserv es	Surplu s Reserv es Preferr ed Shares	Undist ributed Profits Percep tual Bonds
		Preferr ed Shares	Percep tual Bonds	Others								



I. Closin g Balanc e of Previo us Period	2,521,2 04,703. 00				10,771, 481,42 4.55	344,13 0,962.3 0	61,136, 764.00		392,98 0,880.6 4	1,071,5 05,642. 26	14,474, 178,452 .15
Plus: Chang es in Accou nting Policie s									12,627. 77	113,649 .96	126,277 .73
Correc tions of Prior Period Errors											
Others											
II. Openi ng Balanc e of Curren t Period	2,521,2 04,703. 00				10,771, 481,42 4.55	344,13 0,962.3 0	61,136, 764.00		392,99 3,508.4 1	1,071,6 19,292. 22	14,474, 304,729 .88



III. Changes in the Increase or Decrease for the Current Period (Decrease Presented in "-")	- 2,740,5 12.00				30,846, 250.76	777,47 7,824.8 5	- 2,938,8 00.72		150,87 8,603.9 3	605,39 3,846.1 1	3,961,5 63.23
(i) Total Comprehensive Income							- 2,938,8 00.72			1,508,7 86,039. 34	1,505,8 47,238. 62
(ii) Capital Invested and Reduced by the Owners	- 2,740,5 12.00				30,846, 250.76	777,47 7,824.8 5	0.00				- 749,372 ,086.09



1. Comm on Shares Investe d by the Owner s	144,41 3.00				6,843,7 32.07							6,988,1 45.07
2. Capital Investe d by Other Equity Instru ment Holder s												0.00
3. Amou nt of Share- based Payme nts Record ed into the Owner s' Equity						- 135,97 2,275.3 5						135,972 ,275.35
4. Others	- 2,884,9 25.00				24,002, 518.69	913,45 0,100.2 0						- 892,332 ,506.51



(iii) Profit Distrib ution									150,87 8,603.9 3	- 903,39 2,193.2 3		- 752,513 ,589.30
1. Withdr awals of Surplu s Reserv es									150,87 8,603.9 3	- 150,87 8,603.9 3		
2. Distrib ution to the Owner s (or the Shareh olders)										- 752,51 3,589.3 0		- 752,513 ,589.30
3. Others												
(iv) Balanc e Down of the Owner s' Equity												



1. Conve rsion of Capital Reserv es into Capital (or Equity)												
2. Conve rsion of Surplu s Reserv es into Capital (or Equity)												
3. Losses Made up With Surplu s Reserv es												



4. Chang es in Define d Benefi t Plans Carrie d Forwar d to Retain ed Earnin gs												
5. Other Compr ehensi ve Incom e Carrie d Forwar d to Retain ed Earnin gs												
6. Others												
(v) Appro priativ e Reserv												



es												
1. Amou nt Withdr awn for the Curren t Period												
2. Amou nt Used for the Curren t Period												
(vi) Others												
IV. Closin g Balanc e of Curren t Period	2,518,4 64,191. 00				10,802, 327,67 5.31	1,121,6 08,787. 15	58,197, 963.28		543,87 2,112.3 4	1,677,0 13,138. 33		14,478, 266,293 .11

III. Company information

Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (hereinafter referred to as the company)



is a joint stock limited company that publicly issues A-shares domestically and is listed on the Shenzhen Stock Exchange. The Company was formerly known as Beijing Oriental Yuhong Waterproof Technology Co., Ltd., established on March 30, 1998, with a registered capital of RMB3 million, and funded and established by natural persons of Li Weiguo, Li Xingguo and Chen Dingsong. On August 31, 2000, it was wholly changed into a joint stock limited company.

With the approval of China Securities Regulatory Commission (ZJXK [2008] No. 927), the company issued common shares of 13.2 million RMB on September 1, 2008. With the approval of the Shenzhen Stock Exchange “Notice on the Listing of RMB Common Stocks of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.” (Shenzheng Shang [2008] No. 131), the company was listed on the Shenzhen Stock Exchange on September 10, 2008, to issue the common stocks, with the stock abbreviation “Eastern Yuhong” and the stock code “002271”.

After all previous equity incentives, conversion into share capital and issuance of new shares, as of December 31, 2022, the Company has issued a total of 2,518,644,191.

According to the resolutions of the Fourteenth and Twentieth Meetings of the Eighth Session of the Board of Directors of the Company, the Company will use its own funds to repurchase part of the ordinary shares (A shares) issued domestically by the Company by way of centralized competitive trading. The repurchased shares will be used to cancel and reduce the registered capital of the Company. As of December 31, 2023, the total number of shares repurchased by the Company during the current period was 6,029,400 shares.

Registered address of the Company: No. A2, Shaling Section, Shunping Road, Shunyi District, Beijing. Address of the Headquarters: No.19, Kechuang 9th Street, Yizhuang Economic and Technological Development Zone, Beijing.

The company established a corporate governance structure of shareholders’ meeting, board of directors, and board of supervisors. Under the board of directors are strategic committees, nomination committees, audit committees, and remuneration and appraisal committees. Meanwhile, the Company has set up various functional departments including Audit and Supervision Center, Investment and Acquisition Department, Securities Department, Financial Management Center, Human Resources Center, Risk Control Center, Digital Center, Brand Management Center, Administrative Service Department, Technology Center, Chief Engineer Office, Engineering Resource Center and Yuhong School.

The business nature and main business scope of the Company and its subsidiaries (hereinafter referred to as the Group) are manufacturing waterproof materials, anti-corrosion materials, thermal insulation materials, and complete construction equipment; technical development, sales and



technical services of waterproof materials, anti-corrosion materials, thermal insulation materials, and complete construction equipment; operating export business of the Company's self-produced products and technology; operating import business of the raw and auxiliary materials, instrumentation, mechanical equipment, spare parts and technology required by the production of the company and its member companies (except the commodities prohibited by the state government from import and export); information technology services; operation of incoming processing and "three supplies and one compensation" business; Manufacturing rubber products (only engaging in production and business activities in other ports); professional contracting of building waterproof engineering.

This financial statement and its notes were approved at the Company's 6th meeting of the 21th Board of Directors on April 18, 2024.

IV. Basis of preparation of the financial statements

1. Basis of preparation

These financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and its application guidelines, interpretations and other relevant regulations (collectively referred to as "Accounting Standards for Business Enterprises") promulgated by the Ministry of Finance. In addition, the Group also disclosed relevant financial information in accordance with the China Securities Regulatory Commission's *Regulations for the Preparation of Information Disclosure by Companies Offering Securities to the Public No. 15-General Provisions on Financial Reporting* (revised in 2023).

2. Going Concern

The financial statements are prepared on a going concern basis.

The Company accounting is based on the accrual system. Except for certain financial instruments, the financial statements are based on historical cost. If assets are impaired, the corresponding provision for impairment shall be made in accordance with relevant regulations.

V. Significant accounting policies and accounting estimates

Specific accounting policies and accounting estimates reminder:

1. Statement of compliance with the Accounting Standard for Business Enterprises

The financial statements of the Company for the year ended 31 December 2023 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the consolidated and the Company's financial position of the Company as 2023 and of their financial performance, cash flows and other information for the year then ended.

2. Accounting year

The Group's accounting year starts on 1 January and ends on 31 December.

3. Operating cycle

The Group's operating cycle is 12 months.

4. Recording currency

The Company and its domestic subsidiaries' recording currency is Renminbi (RMB). The recording currency of the Company's overseas subsidiaries is determined based on the primary economic environment in which they operate. The recording currency of the Company in preparing these financial statements is RMB.

5. Determination method and selection basis of significant criteria

Applicable Not applicable

Item	Significant criteria
Significant receivables with single provision for bad debts	The amount of single provision accounts for more than 10% of the total amount of bad debt provision for various receivables and the amount is more than RMB 50,000,000
Significant construction in progress	The budget amount is more than RMB 100,000,000 and the closing balance is more than RMB 50,000,000
Significant non-wholly owned subsidiaries	Assets account for more than 5% of the total consolidated assets
Significant investment activities	The investment amount exceeds RMB 200,000,000

6. Accounting treatment method for business combinations involving enterprises under common control and not under common control

(1) Business combinations involving enterprises under common control

For a business combination under common control, the assets and liabilities of the acquiree received by the acquirer are measured at the carrying amount of the ultimate controlling party's consolidated financial statements on the combination date. The difference between the carrying amount of the net assets obtained from the combination and the carrying amount of the consideration paid for the combination is treated as an adjustment to capital reserve (stock premium), if the capital reserve (stock premium) is not sufficient to absorb the difference, the remaining balance is adjusted against retained earnings.

Realize business combination under common control step by step through multiple transactions

The assets and liabilities of the combined party acquired by the combining party in the combination, are measured at their carrying amount in the ultimate controlling party's consolidated financial statements on the combining date; before the combination the carrying amount of the holding investment plus the of the newly paid consideration on the combination date, and the difference between the carrying amount of the net assets obtained in the combination, the capital reserve (stock premium) is adjusted, if the capital reserve is insufficient to offset, the retained earnings are adjusted. The long-term equity investment held by the combining party before obtaining the control of the combined party has been confirmed to be relevant between the date when the original equity is obtained and the date when the combining party and the combined party are in the final control of the same party to the date of the combination; Changes in profit and loss, other comprehensive income and other owners' equity shall be offset against the initial retained earnings or current gains and losses during the comparative accounting period.

(2) Business combinations involving enterprises not under common control

For business combinations involving enterprises not under common control, the combination cost is the fair value of the assets paid to obtain control of the acquiree, the liabilities incurred or assumed, and the equity securities issued on the acquisition date. The acquired assets, liabilities and contingent liabilities of the acquired party are measured at fair value at the acquisition date.

Where the cost of the combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill which is subsequently measured via cost deduct the accumulated impairment provision; where the cost of combination is lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized in profit or loss for the current period after review.

Realize business combination not under common control step by step through multiple transactions

The combination cost is the sum of the consideration paid on the acquisition date and the fair value on the acquisition date of the acquired party's equity held before the acquisition date. For the equity of the acquired party that has been held before the acquisition date, it shall be re-measured according to the fair value of the equity on the acquisition date, and the difference between the fair value and its book value shall be included in the current investment income; Except for the acquired equity that has been held before the acquisition date by the acquired party involving other comprehensive income, other changes in owner's equity converted to current income on the acquisition date, and other comprehensive income arising from changes in net liabilities or net assets of the investee's remeasurement of the defined income plan.

(3) Transaction costs associated with business combination

Agency expenses such as auditing, legal services, evaluation and consulting, and other related administration expenses incurred for the business combination shall be included in the current profits and losses when they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognized amounts of the equity or debt securities.

7. Determination criteria of control and preparation method of consolidated financial statements

(1) Determination criteria of control

The scope of consolidation of the consolidated financial statements is determined on the basis of control. Control means that the Company has the power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power over the investee to influence its return amount. The Company will make reassessment when changes in relevant facts and circumstances result in changes to the relevant elements involved in the definition of control.

When determining whether to incorporate a structured entity into the scope of consolidation, the Company evaluates whether to control the structured entity based on all facts and circumstances, including evaluating the purpose and design of the structured entity, identifying the type of variable returns, and whether it bears part or all of the variability of returns by participating in its related activities.

(2) Preparation of consolidated financial statements

The consolidated financial statements are based on the financial statements of the company and its subsidiaries and are prepared by the company based on other relevant information. When preparing consolidated financial statements, the accounting policies and accounting period requirements of the company and its subsidiaries are consistent, and major transactions and current balances between companies are offset.

During the accounting period, the subsidiaries and businesses added due to a business combination under common control shall be deemed to be included in the company's consolidation scope from the date when they are controlled by the ultimate controlling party, and they shall be controlled by the same ultimate controlling party. The operating results and cash flows from the date onwards are included in the consolidated income statement and consolidated cash flow statement.

During the accounting period, the subsidiaries and businesses added due to business combinations not under the same control shall include the income, expenses, and profits of the subsidiaries and businesses from the acquisition date to the end of the reporting period into the consolidated income

statement, and include their cash flows in the consolidated cash flow statement.

The portion of the subsidiary's owners' equity not attributable to the company will be presented separately in the consolidated balance sheet under owners' equity as a minority owners' equity; the minority owners' equity in the subsidiary's current net profit and loss will be presented in the consolidated income statement. The item of "Minority Owners' Profit and Loss" will be presented under the item of net profit. When the amount of loss for the current period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owner's equity of the subsidiary, the excess is allocated against the balance of minority interests.

(3) Acquisition of minority owners' equity in subsidiary

The difference between the long-term equity investment cost newly acquired as a result of the acquisition of a minority share and the share of the subsidiary's net assets calculated on the basis of the newly added shareholding ratio, which shall be continuously calculated from the date of acquisition or combination, and without loss of control. The difference between the disposal price obtained as a result of the partial disposal of the equity investment in the subsidiary and the disposal of the long-term equity investment corresponding to the subsidiary's net asset share calculated continuously from the acquisition date or the combination date is adjusted. If the capital surplus is insufficient to offset the capital surplus, the retained earnings shall be adjusted.

(4) Treatment of loss of control of subsidiaries

If the control over the original subsidiary is lost due to the disposal of part of the equity investment or other reasons, the remaining equity shall be re-measured according to its fair value on the date of loss of control; The difference between the sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity minus the sum of the share of the book value of net assets of the original subsidiary calculated continuously from the date of purchase according to the original shareholding proportion and the goodwill is included in the investment income of the period when the control right is lost.

Other comprehensive income related to the equity investment of the original subsidiary is transferred to the current profit and loss when the control right is lost, except for other comprehensive income arising from the change of net liabilities or net assets due to the re-measurement of the defined income plan by the investee.

(5) Treatment of step-by-step disposal of equity until loss of control

If the terms, conditions and economic impacts of the transactions in which the equity is disposed of step by step through multiple transactions until the control right is lost meet one or more of the

following conditions, the Company will treat the multiple transactions as a package transaction for accounting treatment:

- ① These transactions are concluded simultaneously or in consideration of their mutual influence;
- ② These transactions as a whole can achieve a complete business result;
- ② The occurrence of one transaction depends on the occurrence of at least one other transaction;
- ③ One transaction is uneconomical when viewed alone, but it is economical when considered together with other transactions.

When the equity is disposed of step by step until the control right is lost, the measurement of the remaining equity and the accounting of the profit and loss related to the disposal of equity shall be carried out in accordance with the aforementioned “treatment of loss of control right of subsidiaries”. The difference between each disposal price before the loss of control and the share of the book value of the net assets of the subsidiary corresponding to the disposal investment calculated continuously from the date of purchase shall be treated as follows:

- ① If it belongs to a “package transaction”, it shall be recognized as other comprehensive income. When the control right is lost, it shall be transferred to the profits and losses of the current period when the control right is lost.
- ② If it does not belong to a “package transaction”, it shall be included in the capital reserve (capital stock premium) as an equity transaction. When the control right is lost, it shall not be transferred to the profits and losses of the period in which the control right is lost.

8. Classification of joint venture arrangements and accounting methods for joint operations

A joint arrangement refers to an arrangement under the joint control of two or more participants. The Company joint venture arrangements are divided into joint operations and joint ventures.

(1) Joint operation

Joint operation refers to a joint arrangement in which the Company obtains the relevant assets of the arrangement and assumes the relevant liabilities of the arrangement.

The Company confirms the following items related to the share of interests in joint operations, and conducts accounting treatment in accordance with the relevant enterprise accounting standards:

- A. Recognize the assets held separately and the assets jointly held by their shares;
- B. Recognize the liabilities borne individually and the liabilities borne jointly by their shares;
- C. Recognize the income generated by selling its share of joint operating output;
- D. Recognize the income generated by the joint operation from the sale of output according to its share;



E. Confirm the expenses incurred separately, and confirm the expenses incurred by joint operations according to their shares.

(2) Joint ventures

A joint venture refers to a joint arrangement in which the Company only has rights to the net assets of the arrangement.

The Company accounts for investments in joint ventures in accordance with the provisions of the equity method for long-term equity investments.

9.Criteria for determining cash and cash equivalents

Cash comprise cash on hand, deposits that can be readily drawn on demand. Cash equivalents refer to short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

10.Foreign currency transaction and translation of foreign currency financial statements

(1) Foreign currency transaction

Foreign currency transactions are translated into recording currency using the exchange rates prevailing at the dates of the transactions.

On the balance sheet date, monetary items denominated in foreign currencies are translated into recording currency using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognized in profit or loss for the current period. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. For non-monetary items in foreign currencies measured at fair value, they are translated using the spot exchange rate on the date when the fair value is determined. The difference between the translated accounting currency amount and the original accounting currency amount is included in the current profit and loss or other comprehensive income.

(2) Translation of financial statements in foreign currency

On the balance sheet date, when translating the foreign currency financial statements of overseas subsidiaries, the assets and liabilities in the balance sheet shall be translated using the spot exchange rate on the balance sheet date. Owners' equity items except for "undistributed profits", shall be translated using the spot exchange rate on the date of occurrence.

The income and expense items in the income statement are translated at the spot exchange rate on the transaction date.

All items in the cash flow statement are converted at the spot exchange rate on the date of the cash flow. The impact of exchange rate changes on cash is treated as an adjustment item, and the item

"Effects of exchange rate changes on cash and cash equivalents" is reflected separately in the cash flow statement.

The difference arising from the translation of financial statements is reflected in the "other comprehensive income" item under the shareholders' equity item of the balance sheet.

When disposing of an overseas operation and losing control, the translation difference of the foreign currency statement related to the overseas operation presented under the shareholder's equity item in the balance sheet shall be transferred to the current profit and loss of the disposal of the overseas operation in full or in proportion to the disposal of the overseas operation.

11. Financial instruments

Financial instruments refer to contracts that form one party's financial assets and other parties' financial liabilities or equity instruments.

(1) Recognition and de-recognition of financial instruments

A financial asset or financial liability is recognized when the Company becomes a party to the contractual provisions of the financial instrument.

If a financial asset meets one of the following conditions, it shall be de-recognized:

- ① Termination of the contractual rights to receive the cash flows of the financial asset;
- ② The financial asset has been transferred and meets the following conditions for de-recognition of the transfer of financial assets.

The Company de-recognizes a financial liability or part of it when the underlying present obligation or part of it is discharged or cancelled. If the Company (debtor) and the creditor sign an agreement to replace the existing financial liabilities by assuming new financial liabilities, and the contract terms of the new financial liabilities and the existing financial liabilities are substantially different, the existing financial liabilities shall be de-recognized and the new financial liabilities shall be confirmed at the same time.

Financial assets shall be traded in a conventional manner, recognized and de-recognized according to the transaction date.

(2) Classification and measurement of financial assets

At the time of initial recognition, the Company divides financial assets into the following three categories based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets: financial assets measured at amortized cost, financial assets at fair value through other comprehensive incomes, financial assets measured at fair value through profit and loss.

Financial assets measured at amortized cost

The Company classifies financial assets that meet the following conditions and that are not designated as financial assets at fair value via the current profit and loss, as financial assets that are measured at amortized cost:

- The business model of the Company to manage the financial assets is to collect contractual cash flow;
- The contract terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount.

After the initial recognition, the actual interest rate method is adopted to measure such financial assets at amortized cost. The gains or losses arising from financial assets that are measured at amortized cost and are not part of any hedging relationship are included in the current profits and losses when they are de-recognized, amortized in accordance with the effective interest method, or recognized as impairment.

Financial assets at fair value and whose changes are included in other comprehensive incomes

The Company classifies financial assets that meet the following conditions and are not designated as financial assets at fair value via the current profit and loss, as financial assets measured at fair value via other comprehensive income.

- The Company business model for managing the financial asset is aimed at both collecting contractual cash flow and selling the financial asset;
- The contract terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount.

After the initial recognition, such financial assets shall be measured at fair value. Interest, impairment losses or gains and exchange gains and losses calculated using the effective interest rate method are included in the current profit and loss, and other gains or losses are included in other comprehensive income. Once de-recognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income to the current profit and loss.

Financial Assets Measured at Fair Value Through Profit or Loss

Except for the above-mentioned financial assets measured at amortized cost and at fair value via other comprehensive income, the Company classifies all other financial assets as financial assets at fair value via current profit and loss. At the time of initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company irrevocably designates some financial assets that should be measured at amortized cost or at fair value via other comprehensive income as

being measured at fair value via current profit and loss.

After initial recognition, such financial assets are subsequently measured at fair value, and the resulting gains or losses (including interest and dividend income) are included in the current profit and loss, unless the financial assets are part of the hedging relationship.

The business model of managing financial assets refers to how the Company manages financial assets to generate cash flow. The business model determines whether the source of the cash flow of the financial assets managed by the Company is to collect contractual cash flows, sell financial assets, or both. The Company determines the business model for managing financial assets based on objective facts and the specific business objectives of the management of financial assets determined by key management personnel.

The Company evaluates the contractual cash flow characteristics of financial assets to determine whether the contractual cash flow generated by the relevant financial assets on a specific date is only the payment of principal and interest based on the outstanding principal amount. Among them, principal refers to the fair value of financial assets at the time of initial recognition; interest includes consideration for the time value of money, the credit risk associated with the outstanding principal amount in a specific period, and other basic borrowing risks, costs and profits. In addition, the Company evaluates contract terms that may cause changes in the time distribution or amount of contractual cash flows of financial assets to determine whether they meet the above-mentioned contractual cash flow characteristics.

Only when the Group changes the business model of managing financial assets, all affected financial assets will be reclassified on the first day of the first accounting period after the business model is changed, otherwise the financial assets shall not be reclassified after initial recognition.

Financial assets are measured at fair value at the time of initial recognition. For financial assets that are measured at fair value via the current profit and loss, the relevant transaction costs are directly included in the current profit and loss; for other types of financial assets, the relevant transaction costs are included in the initial recognition amount. For accounts receivable arising from the sale of products or the provision of labor services that do not contain or consider significant financing components, the amount of consideration that the Group is expected to be entitled to receive shall be the initial confirmation amount.

(3) Classification and measurement of financial liabilities

The Company's financial liabilities are classified at the time of initial recognition as: financial liabilities measured at fair value via the current profit and loss, and financial liabilities measured at amortized costs. For financial liabilities that are not classified as measured at fair value via the

current profit and loss, the relevant transaction costs are included in the initial recognition amount.

Financial liabilities that are measured at fair value through profit or loss

Financial liabilities that are measured at fair value through profit or loss include: transaction financial liabilities, and financial liabilities designated to be measured at fair value through profit or loss at the initial recognition. For such financial liabilities, follow-up measurement is carried out at fair value, and the gains or losses arising from changes in fair value, as well as dividends and interest expenses related to these financial liabilities, are included in the current profit and loss.

Financial liabilities measured at amortized cost

Other financial liabilities adopt the effective interest method, in which follow-up measurement is carried out at amortized cost, and the gains or losses arising from derecognition or amortization are included in the current profit and loss.

Financial guarantee contract

A financial guarantee contract is not a financial liability designated to be measured at fair value through profit or loss, which is measured at fair value upon initial recognition, and is subsequently measured at the higher of the provision for loss of the estimated liability determined using the expected credit loss model and the balance of the amount initially recognized less accumulated amortization.

The distinction between financial liabilities and equity instruments

Financial liabilities refer to liabilities that meet one of the following conditions:

- ① the contractual obligation to deliver cash or other financial assets to other parties.
- ② the contractual obligation to exchange financial assets or financial liabilities with other parties under potentially unfavorable conditions.
- ③ the non-derivative contract that must or can be settled with the company's own equity instruments in the future, and the company will deliver a variable amount of its own equity instruments according to the contract.
- ④ the derivative contract that must or can be settled with the company's own equity instruments in the future, except for the derivative contract that exchanges a fixed amount of cash or other financial assets with a fixed amount of its own equity instruments.

Equity instrument refers to a contract which can prove that a certain company holds the residual equities of the assets after deducting all liabilities.

If the Group cannot unconditionally avoid the delivery of cash or other financial assets to fulfill a

contractual obligation, the contractual obligation meets the definition of a financial liability.

If a financial instrument must or can be settled with the Group's own equity instruments, it is necessary to consider whether the Group's own equity instruments for settling the instrument are used as a substitute for cash or other financial assets, or are used to make sure that the instrument holders is entitled to the residual equity of the assets after the issuer deducts all liabilities. If it is the former, the instrument is a financial liability to the Group; and if it is the latter, the instrument is an equity instrument to the Group.

(4) Derivatives and embedded derivatives

It is initially measured at the fair value on the day when the derivative transaction contract is signed, and is subsequently measured at its fair value. A derivative with a positive fair value is recognized as an asset, and a derivative with a negative fair value is recognized as a liability. Any gains or losses arising from changes in fair value that do not meet the requirements of hedge accounting are included in the current profit and loss directly.

For a hybrid instrument that contains embedded derivatives, if the host contract is a financial asset, the hybrid instrument is subject to the relevant classification criteria of the financial asset as a whole. The embedded derivative instrument is separated from the hybrid instrument and treated as a separate derivative if the following conditions are met: the host contract is not a financial asset; and said hybrid instrument is not measured at fair value through profit or loss for accounting treatment; and the embedded derivative is not closely related to said host contract in terms of economic characteristics and risks; and a separate instrument with the same terms as the embedded derivative meets the definition of a derivative. If the embedded derivative cannot be separately measured at the time of acquisition or on the subsequent balance sheet date, the hybrid instrument as a whole is designated as a financial asset or a financial liability measured at fair value through profit or loss.

(5) Fair value of financial instruments

See Note III.12 for the method of determining the fair value of financial assets and financial liabilities.

(6) Impairment of financial assets

Based on expected credit losses, the Company performs impairment accounting treatments on the following items and recognizes loss provisions:

- Financial assets measured at amortized cost;
- Receivables and debt investments that are measured at fair value through other comprehensive income;
- Contract assets as defined in *Accounting Standards for Enterprises No. 14 - Revenue*;

- Lease receivables;
- Financial guarantee contracts (except for when measured at fair value through profit or loss, or when a transfer of a financial asset does not qualify for de-recognition or when arises from the continuing involvement with the transferred financial assets).

Measurement of expected credit losses

Expected credit loss refers to the weighted average of the credit losses of financial instruments that take default risks as the weight. Credit loss refers to the difference between all contractual cash flows receivable under the contract and all cash flows expected to be received by the Group, discounted at the original effective interest rate, that is, the present value of all cash shortages.

Based on reasonable and evidence-based information about past events, current conditions, forecasts of future economic conditions and etc., the company takes default risks as the weight to calculate the probability-weighted amount of the present value of the difference between the cash flow receivable from the contract and the cash flow expected to be received, therefor recognizing the expected credit loss.

The Company measures the expected credit losses of financial instruments at different stages one by one. If the credit risk on a financial instrument has not increased significantly since initial recognition, it is in the first stage, and thus the Company measures the loss provision according to the 12-month expected credit losses; if the credit risk on a financial instrument has increased significantly without credit impairment since initial recognition, it is in the second stage, and thus the Company measures the loss provision according to the expected credit loss over the entire life of the instrument; if the financial instrument has become credit-impaired since initial recognition, it is in the third stage, and thus the Group measures the loss provision according to the expected credit loss over the entire life of the instrument.

For financial instruments with low credit risks on the balance sheet date, the Company assumes that their credit risks have not increased significantly since initial recognition, and the loss provisions are measured according to the expected credit losses within the next 12 months.

Expected credit loss over the entire life of the instrument refers to the expected credit loss that result from all possible default events over the entire expected life of the financial instrument. 12-month expected credit loss refers to expected credit loss that result from default events that are possible within 12 months after the balance sheet date (if the expected life of the financial instrument is less than 12 months, then within the expected life). Expected credit loss is a part of the expected credit loss over the entire life of the instrument.

When measuring expected credit losses, the longest period that the Company needs to consider is

the longest contract period that the company faces credit risks (including the consideration of the renewal option).

For financial instruments that are in the first and second stages and that are with lower credit risks, the Company calculates their interest incomes based on the book balances without deducting the impairments and the effective interest rates. For financial instruments in the third stage, the interest incomes are calculated according to the amortized cost after deducting the impairments from the book balance and the effective interest rates.

Bills receivables, accounts receivables and contract assets

As for bills receivables, accounts receivables and contract assets, no matter whether they contain significant financing components, the Company always measures its loss provisions at an amount equivalent to the expected credit losses over the entire lifetime.

When the expected credit loss information of a single financial asset cannot be evaluated at reasonable costs, the Company divides and combines bills and accounts receivables according to credit risk characteristics, and calculates the expected credit losses based on the portfolios. The basis for determining the portfolios is as follows:

A. Notes Receivables

- Notes receivable portfolio 1: Bank Acceptance Draft
- Notes receivable portfolio 2: Commercial Acceptance Draft

B. Accounts receivables

- Accounts receivable portfolio 1: receivables from related parties within the scope of consolidation
- Accounts receivable portfolio 2: receivable from other clients

C. Contract assets

- Contract Asset Portfolio 1: completed and unsettled assets
- Contract Asset Portfolio 2: warranty fund

For the notes receivable, accounts receivable and contract assets divided into portfolios, the Company calculates the expected credit loss by referring to the historical experience of credit loss, combining the current situation and the forecast of future economic conditions, and calculating the expected credit loss through the exposure to default risk and the expected loss rate of the whole duration.

Other Receivables

The Company divides other receivables into a number of portfolios according to credit risk characteristics, and calculates the expected credit losses based on the portfolios. The basis for

determining the portfolios is as follows:

- Other receivable portfolio 1: deposit receivable and security deposit
- Other receivable portfolio 2: Receivables from related parties within the scope of consolidation
- Other receivable portfolio 3: Other receivables

For other receivables divided into portfolios, the Company calculates the expected credit losses based on the exposures of default risks and the expected credit loss rates over the next 12 months or the entire lifetime. For other receivables grouped by aging, the aging is calculated from the date of recognition.

Debt investments, other debt investments

For debt investments and other debt investments, according to the natures of the investments, various types of counter parties and risk exposures, the Company calculates the expected credit losses based on the exposures of default risks and the expected credit loss rates over the next 12 months or the entire lifetime.

Assessments of significant increases in credit risks

The Company compares the default risks of financial instruments on the balance sheet date and the default risks on the initial recognition date to determine the relative changes in the default risks of the financial instruments during the expected lifetime, therefore to assess whether the credit risks of the financial instruments have increased significantly since initial recognition.

When determining whether the credit risks have increased significantly since initial recognition, the Company considers reasonable and evidence-based information that can be obtained without unnecessary additional costs or efforts, including forward-looking information. The information considered by the Company includes:

- the debtor's failure to pay the principal and interest by the due date of the contract;
- a serious deterioration in the external or internal credit rating (if any) of the financial instrument that has occurred or is expected;
- a serious deterioration in the debtor's operating result that has occurred or is expected;
- Existing or anticipated changes in technology, market, economic or legal environment, which will have a significant adverse impact on the debtor's ability to repay the Group.

According to the natures of financial instruments, the Company assesses credit risks on the basis of individual financial instruments or portfolios of financial instruments, to see whether they have increased significantly. When carrying assessments based on portfolios of financial instruments, the Company may classify financial instruments on the basis of common credit risk characteristics,

such as overdue information and credit risk ratings.

If it is more than 30 days past due, the Company determines that the credit risks of the financial instruments have increased significantly.

Financial assets that have been credit-impaired

On the balance sheet date, the Company assesses whether the financial assets measured at amortized cost and the debt investments measured at fair value through other comprehensive income have become credit-impaired. At the occurrence of one or more events that have adverse effects on the expected future cash flow of a financial asset, said financial asset become a one that has been credit-impaired. Evidences of credit-impaired financial assets include the following observable information:

- the issuer or debtor has serious financial difficulties;
- the debtor breaches the contract, such as default or overdue payment of interest or principal;
- out of economic or contractual considerations related to the debtor's financial difficulties, the Group gives the debtor concessions that will not make under any other circumstances;
- the debtor is likely to go bankrupt or undergo other financial restructuring;
- the issuer's or debtor's financial difficulties cause the disappearance of an active market for said financial asset.

Presentation of expected credit loss provisions

In order to reflect the changes in the credit risks of financial instruments since initial recognition, the Company remeasures the expected credit losses on each balance sheet date, and the resulting increases in loss provisions or the amounts reversed are included in the current profit and loss as impairment losses or profits. For a financial asset measured at amortized cost, the book value of said financial asset listed in the balance sheet is offset by the loss provision; for a debt investment that is measured at fair value through other comprehensive income, the Group recognizes its loss provisions in other comprehensive income, and the book value of said financial asset is not offset.

Write-off

If the Company can no longer reasonably expect that the contractual cash flow of a financial asset can be fully or partially recovered, it will directly write down the book balance of said financial asset. Such write-downs constitute the de-recognitions of the related financial assets. This situation usually occurs when the Company determines that the debtor has no assets or sources of income that can provide sufficient cash flow to pay off the amount to be written down. However, in accordance with the Group's procedure for recovering due payments, the financial assets that have been written down may still be affected by execution activities.

If the financial assets that have been written down are later recovered, they are included in the profit and loss of the recovery period as reversals of the impairment losses.

(7) Transfers of financial assets

Transfer of financial assets refers to the transfer or delivery of said financial assets to another party (transferee) other than the issuer of the financial assets.

If the Company has transferred substantially all the risks and rewards of the ownership of a financial asset to the transferee, said financial asset is de-recognized; if it retains substantially all the risks and rewards of the ownership of a financial asset, said financial asset is not de-recognized.

If the Company neither transfers nor retains substantially all the risks and rewards of the ownership of a financial asset, it shall be dealt with accordingly: if the control of said financial asset is abandoned, said financial asset shall be de-recognized and the resulting assets and liabilities shall be recognized; if the control of said financial asset is not abandoned, the relevant financial assets shall be recognized according to the extent of its continued involvement with the transferred financial assets, and the relevant liabilities shall be recognized accordingly.

(8) Offsetting of financial assets and financial liabilities

The financial assets and financial liabilities can be listed in the balance sheet at the amount after offsetting each other if the following conditions are met: The Company has the statutory right to offset the recognized financial assets and financial liabilities, and the statutory rights are currently enforceable; and the Company plans to net settle or realize said financial assets and to pay off said financial liabilities at the same time. Otherwise, financial assets and financial liabilities are listed separately in the balance sheet and are not offset against each other.

1. Fair value measurement

Fair value refers to the price that market participants can receive from the sale of an asset or pay to transfer a liability in an orderly transaction on the measurement date.

The Company measures the relevant assets or liabilities at fair value, assuming that the orderly transaction of selling assets or transferring liabilities is carried out in the main market of the relevant assets or liabilities; if there is no main market, the Company assumes that the transaction is carried out in the most favorable market of the relevant asset or liability. The main market (or the most favorable market) is the trading market that the Company can enter on the measurement date. The Company adopts the assumptions used by market participants to price the asset or liability in order to maximize its economic benefits.

For the financial assets or financial liabilities in the active market, the Company adopts the quoted price in the active market to determine its fair value. If there is no active market for a financial

instrument, the Company adopts valuation techniques to determine its fair value.

Where a non-financial asset is measured at fair value, consideration is given to the ability of a market participant to put the asset to its best use for economic benefit, or to sell the asset to another market participant that is able to put it to its best use for economic benefit.

The Company adopts valuation techniques that are applicable under the current circumstances and are supported by sufficient available data and other information, and gives priority to the use of relevant observable inputs. Unobservable inputs are used only when observable inputs cannot be obtained or are not feasible.

For assets and liabilities measured or disclosed at fair value in the financial statements, the fair value hierarchy is determined based on the lowest-hierarchy input value that is significant to the fair value measurement as a whole: the first-hierarchy input value is the unadjusted quoted price in an active market for the same asset or liability that can be obtained on the measurement date; the second-hierarchy input value is directly or indirectly observable input value for related assets or liabilities other than the first-hierarchy input value; the third-hierarchy input value refers to unobservable input value for related assets or liabilities.

At each balance sheet date, the Company reassesses the assets and liabilities recognized in the financial statements that are measured at fair value on a continuing basis to determine whether transfers have occurred between levels in the fair value measurement hierarchy.

12. Inventory

(1) Classification of inventory

The Company's inventory is divided into raw materials, finished goods, low-value consumables.

(2) Method of inventory pricing

The Company's inventory is priced at the actual cost when acquired. When issuing raw materials, finished goods, etc., the Company adopts the weighted average method.

(3) The basis for determining the net realizable value of the inventory and the method of accruing provision for obsolete stock

On the balance sheet date, inventories are measured at the lower of cost and net realizable value. When the net realizable value is lower than the cost, the inventory falling price reserve shall be calculated.

The net realizable value of the inventory is the estimated selling price of the inventory, minus the estimated costs at the time of completion, estimated sales expenses and related taxes. The net realizable value of the inventory is determined based on the conclusive evidences that are obtained, while considering the purpose of holding the inventory and the impacts of events after the balance

sheet date.

The Company generally calculates and withdraws the inventory falling price reserves according to individual inventory items. For inventories with large quantity and low unit price, the inventory falling price reserve shall be calculated according to the inventory category.

(4) Inventory system

The Group's adopts the perpetual inventory system.

(5) Amortization method of low-value consumables and packaging materials

The Company adopts the one-off write-off method for amortization when receiving low-value consumables.

13. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates. The investees on which the Group can exert significant influence are associates of the Group.

(1) Determination of initial investment costs

Long-term equity investments from corporate mergers: for long-term equity investments obtained in corporate mergers under the same control, the book value shares of the acquired party's equities in the consolidated financial statements of the ultimate controlling party on the merger date are regarded as investment costs; for long-term equity investments obtained in corporate mergers that are not under the same control, the merger costs are regarded as the investment costs of the long-term equity investments.

Long-term equity investments obtained by other means: for long-term equity investments obtained by paying cash, the purchase prices that are actually paid are regarded as initial investment costs; for long-term equity investments obtained by issuing equity securities, the fair values of the issued equity securities are regarded as initial investment costs.

(2) Follow-up measurements and methods of recognizing profits and losses

Investments in subsidiaries are accounted by using the cost method, unless the investments meet the criteria to be classified as held for sale; investments in associates and joint ventures are accounted by using the equity method.

For long-term equity investments accounted by the cost method, beside the actual prices paid in the investments or the declared but unpaid cash dividends or profits included in the considerations, the cash dividends or profits declared to be distributed by the investee are recognized as investment incomes, and are included the current profit and loss.

For long-term equity investments accounted by the equity method, if the initial investment costs are

higher than the fair value shares of the investee's identifiable net assets at the time of investments, the investment costs of the long-term equity investments are not adjusted; if the initial investment cost is less than the fair value shares of the investee's identifiable net assets at the time of investments, the book values of the long-term equity investments are adjusted, and the differences are included in the profit and loss of the investment.

When using the equity method, the investment incomes and other comprehensive incomes are recognized respectively according to the shares of the net profits and losses and other comprehensive incomes realized by the investee that are entitled to or should be shared, and the book value of the long-term equity investments are adjusted at the same time; the book values of the long-term equity investments are reduced according to the entitled portions, which are calculated based on the profits or cash dividends distributed by the investee; other changes in the owner's equities of the investees other than net profits and losses, other comprehensive incomes and profit distributions are adjusted in the book values of the long-term equity investment, and are included in capital surplus (other capital surplus). When recognizing the shares of the net profit and loss of the investee, the net profits of the investee are recognized after the adjustments based on the fair values of the identifiable assets of the investee when obtaining the investments, which are in accordance with the Group's accounting policies and accounting period.

If, due to additional investments or other reasons, it is possible to exert significant influence on the investee or to have a joint control but does not yet constitute control, the sums of the fair values of the original equities and the newly added investment costs are regarded as initial investment costs, accounting for the change to the equity method on the conversion date. If the original equities are classified as non tradable equity instrument investment measured at fair value and its changes are included in other comprehensive income, the related cumulative changes in fair value originally included in other comprehensive income will be transferred to retained income when accounting according to the equity method.

If the joint control or significant influence on the investee is lost due to the disposal of part of the equity investments, on the date of losing joint control or significant influence, the accounting treatment of the remaining equities after the disposal is changed according to *Accounting Standards for Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, and the differences between the fair values and the book values are included in the current profit and loss. When terminating the equity method, the other comprehensive incomes recognized by the original equity investments due to the adoption of the equity method, are accounted for on the same basis as the investee's direct disposal of related assets or liabilities; other changes of owner's equities related

to the original equity investments are transferred to the current profit and loss.

If the control of the investee is lost due to the disposal of part of the equity investments, while the remaining equities after disposal have joint control or can exert significant influence on the investee, the equity method is adopted instead, and the remaining equities are subject to adjustments deeming that the equity method is adopted upon acquisition; if the remaining equities after disposal no longer have joint control nor can exert significant influence on the investee, the accounting treatment is changed according to *Accounting Standards for Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, and the differences between the fair values and the book values are included in the current profit and loss on the date of losing control.

If the company's shareholding ratios decrease due to the increases in capitals from other investors, thereby losing control but have joint control or can exert significant influence on the investee, the shares of the net assets entitled to the company, which are increased due to share expansion, are recognized according to the new shareholding ratio, and the differences between the original book values of the long-term equity investments corresponding to the decrease in the shareholding ratio that should be carried forward are included in the current profit and loss; then, the new shareholding ratio are subject to adjustments deeming that the equity method is adopted upon acquisition.

The unrealized gains and losses of internal transactions between the Group and associates, as well as joint ventures, are calculated based on the shareholding ratio attributable to the Group, and the investment gains and losses are recognized based on offsetting. However, the unrealized losses of internal transaction between the Group and the investee are not offset, as they belong to the impairment loss of the transferred assets.

(3) The basis for determining having joint control and significant influence on the investee

Joint control refers to the control of an arrangement in accordance with relevant agreement, and the relevant activities of the arrangement must be agreed by the participants having shared control rights. When judging whether there is joint control, firstly, determine whether said arrangement is collectively controlled by all participants or a combination of participants, and secondly, determine whether the decision-making related to the arrangement must be agreed unanimously by the participants who collectively control said arrangement. If all participants or a group of participants must act unanimously to determine the activities of an arrangement, it is considered that all participants or a group of participants control the arrangement collectively; if there are two or more combinations of participants that can control an arrangement collectively, it does not constitute joint control. When judging whether there is joint control, the protective rights are not considered.

Significant influence means that the investor has the power to participate in the decision-making of

the financial and operating policies of the investee, but cannot control or jointly control the policy making with other parties. When determining whether it can exert a significant influence on the investee, consider the assumed impacts after the voting shares of the investee held by the investor directly or indirectly and the current executable potential voting rights held by the investor and other parties are to be converted to the investee, including the impact of current convertible warrants, share options, convertible corporate bonds and etc. issued by the investee.

When the company owns more than 20% (including 20%) but less than 50% of the voting shares of the investee directly or indirectly through a subsidiary, it is generally considered to have a significant influence on the investee, unless there is clear evidence to prove that it cannot participate the decision-making of the investee's production and management, and does not have a significant influence under such condition; when the Group owns less than 20% (excluding) of the voting shares of the investee, it is generally not considered to have a significant influence on the investee, unless there is clear evidence to prove that the it can participate the decision-making of the investee's production and management, and does not have a significant influence under such condition.

(4) Impairment test method and accounting method of impairment provisions

For investments in subsidiaries, associates and joint ventures, see Note III. 19 for the accounting method of asset impairments.

14. Fixed assets

(1) Confirmation conditions

The fixed assets of the Company refer to tangible assets held for production of commodities, provision of labor services, rental or operation and management, and have a service life of more than one fiscal year.

The economic benefits related to said fixed asset are likely to flow into the company, and said fixed asset can only be recognized when the cost of said fixed asset can be reliably measured.

The fixed assets of the Company are initially measured according to the actual cost at the time of acquisition.

Subsequent expenditures related to fixed assets shall be included in the cost of fixed assets when the economic benefits related to them are likely to flow into the Company and the cost can be reliably measured; the daily repair costs of fixed assets that do not meet the conditions for subsequent expenditures for capitalization of fixed assets shall be included in the current profit and loss or included in the cost of related assets according to the beneficiary object when they occur. For the replaced part, its book value is de-recognized.

(2) Depreciation method

Category	Depreciation method	Depreciation period	Residual value rate	Annual depreciation rate
Houses and buildings	Straight-line method	10-50	5	9.50-1.90
Mechanical equipment	Straight-line method	5-10	5	19.00-9.50
Transportation equipment	Straight-line method	5-10	5	19.00-9.50
Others	Straight-line method	5-10	5	19.00-9.50

15. Constructions in progress

The costs of the Group's constructions in progress are determined based on actual construction expenditures, including various necessary construction expenditures incurred during the construction period, borrowing costs that should be capitalized before the construction reaches its intended usable condition, and other related expenses.

Constructions in progress are capitalized as the initial value of fixed assets based on all expenditures incurred before the construction reaches its intended usable condition. When the construction in progress reach its intended usable condition but the final accounts have not yet been settled, the estimated value is transferred to fixed assets based on the project budget, cost, or actual expenses from the date when the construction reaches its intended usable condition. Depreciation of fixed assets is then recorded according to the Group's fixed asset depreciation policy. Upon completion of the final settlement, the originally estimated value is adjusted based on the actual cost, without adjusting the depreciation already recorded.

See Note III. 19 for the accounting method of asset impairments for construction in progress.

16. Borrowing costs

(1) Recognition principle of the capitalization of borrowing costs

If the borrowing costs incurred by the Group can be directly attributable to the purchase, construction or production of assets that meet the conditions for capitalization, they are capitalized and included in the costs of the relevant assets; other borrowing costs are recognized as expenses according to the amount incurred, and are included into the current profit and loss. The capitalization of borrowing costs will start if all the following conditions are met at the same time:

- ① The expenditure on the asset have occurred, which include expenditures in the form of paying cash, transferring non-cash assets, or interest-bearing debts for the purchase, construction or production of assets that meet the requirements for capitalization;
- ② Borrowing costs have been incurred;
- ③ The purchase, construction or production activities have started, which are necessary for making the assets ready for its intended use or sale.

(2) Capitalization period of borrowing costs

When the assets purchased, constructed or produced by the Group that meet the requirements for capitalization are ready for the intended use or sale, the capitalization of the borrowing cost ceases activities. The borrowing costs incurred after the assets that meet the requirements for capitalization are ready for the intended use or sale, the amounts incurred are recognized as expenses, and are included in the current profit and loss.

If the assets that meet requirements for capitalization is abnormally interrupted during the purchase, construction or production, and the interruption lasts for more than 3 months, the capitalization of borrowing costs is suspended; during normal interruption period, the capitalization of borrowing costs continue.

(3) The capitalization rate of borrowing costs and the calculation method of the capitalization amount

The actual interest expenses incurred in the current period of special borrowings are capitalized after deducting the interest incomes obtained by depositing unused borrowing funds in the bank or the investment incomes obtained by temporary investments; the capitalization amounts of general borrowings are recognized as follows: the weighted average of the amount that the accumulated expenditures exceed the asset expenditures of special borrowings is multiplied by the capitalization rate of the general borrowings. The capitalization rate is calculated and determined based on the weighted average interest rate of general borrowings.

During the capitalization period, the exchange differences of foreign currency special borrowings are all capitalized; the exchange differences of foreign currency general borrowings are included in the current profit and loss.

17. Intangible assets

(1) Service life and its determination basis, estimation, amortization method or review procedure

The Company's intangible assets include rights to use lands, software, patent rights, non-patent technologies, rights to the use of trademarks and other, etc.

Intangible assets are initially measured at cost, and their service lives are analyzed and determined when the intangible assets are acquired. If the service lives are limited, from the time when the intangible assets are deemed useful, an amortization method that can reflect the expected realization of the economic benefits related to said assets is adopted, and the assets are amortized within the expected service life; if the expected realization method cannot be determined reliably, the straight-line method is used for amortization; intangible assets without definite service lives are not amortized.

The amortization method of intangible assets with limited-service life is as follows:

Classification	Service life	Amortization method
Right to use land	40-50	Straight-line
Right to the use of trademark	3-15	Straight-line
Software	15	Straight-line
Patent right	15	Straight-line
Non-patent technology	20	Straight-line

At the end of each year, the Company reviews the service lives of intangible assets with limited-service lives and the amortization method. If it is different from the previous estimate, the original estimate is adjusted and treated according to accounting estimates changes.

If it can be estimated on the balance sheet date that an intangible asset can no longer bring future economic benefits to the company, the book value of said intangible asset is transferred to the current profit and loss.

See Note III. 19 for the accounting method of asset impairments for intangible assets.

(2) Scope of R&D expenditures and relevant accounting methods

The Company divides expenditures for internal research and development projects into expenditures in the research phase and expenditures in the development phase.

Expenditures in the research phase are included in the current profit and loss when incurred.

Expenditure in the development phase can only be capitalized only if the following conditions are met at the same time, i.e.,: it is technically feasible to complete the intangible assets so that they can be used or sold; there is the intention to complete the intangible assets and to use or sell them; the intangible assets provides economic benefits, including the ability to prove that the products produced by the intangible assets are demanded in the market or the intangible assets themselves are demanded in the market, and if the intangible assets will be used internally, their usefulness can be proved; there are sufficient technical, financial resources and other resources to support the completions of the developments of said intangible assets, as well as the ability to use or sell said intangible assets; the expenditures that are attributable to the development phase of the intangible assets can be measured reliably. Development expenditures that do not meet the above requirements are included in the current profit and loss.

Expenditure in the development phase that has been capitalized is listed as development expenditure on the balance sheet and is converted into an intangible asset from the date the project reaches its intended use.

18. Long-term asset impairments

Asset impairments of long-term equity investments in subsidiaries, associates and joint ventures, fixed assets, constructions in progress, right-of-use assets, intangible assets, goodwill, etc. (except for inventory, deferred income tax assets and financial assets) that are subsequently measured using the cost model, are recognized according to the following methods:

It is evaluated on the balance sheet date whether there are signs of possible asset impairments. If there are signs of impairments, the Group will estimate the recoverable amounts and conduct impairment tests. The goodwill formed by business mergers, intangible assets with indefinite service lives and intangible assets that are not yet ready to use are tested for impairment every year, regardless of whether there are signs of impairments.

The recoverable amount is determined based on the higher amount between the net value of the asset's fair value minus the disposal expenses, and the present value of the asset's expected future cash flow. The Group estimates its recoverable amount on the basis of a single asset; if it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of said asset group is determined on the basis of the asset group to which the asset belongs. The identification of an asset group is based on whether the main cash inflow generated by the asset group is independent from the cash inflows of other assets or asset groups.

When the recoverable amounts of the assets or asset groups are lower than the book values, the Group writes down the book values to the recoverable amounts. The reduced amount is included in

the current profit and loss, and the corresponding asset impairment provisions is accrued at the same time.

As for the impairment test of goodwill, the book value of the goodwill formed by the business mergers is allocated to the relevant asset groups according to a reasonable method from the date of purchase; if it is difficult to allocate to the relevant asset groups, it is allocated to related asset group portfolio. The related asset group or asset group portfolio is the asset group or asset group portfolio that can benefit from the synergies of the business mergers, and is not larger than the reporting segment determined by the group.

During the impairment test, if there are signs of impairment for an asset group or asset group portfolio related to goodwill, impairment test is performed on the asset group or asset group portfolio that does not contain goodwill first. Then, impairment test is performed on the asset group or asset group portfolio that contains goodwill, and its book value is compared with its. If the recoverable amount is lower than the book value, the impairment loss of goodwill is recognized.

Once an asset impairment loss is recognized, it will not be reversed in the following accounting periods.

19. Long-term deferred expenses

The long-term deferred expenses of the Group are priced at actual cost, and are amortized evenly over the expected benefit period. For long-term deferred expenses that cannot benefit the future accounting period, all the amortized values are included in the current profit and loss.

20. Employee compensations

(1) Accounting treatment of short-term salary

During the accounting period which employees provide services, the Group recognizes the actual wages, bonuses, medical insurance premiums, employment injury insurance premiums, maternity insurance premiums and other social insurance premiums and housing provident funds paid for the employees in accordance with the prescribed benchmarks and proportions as liabilities, and they are included in the current profit and loss or related asset costs.

(2) Accounting treatment of post-employment benefits

The post-employment benefit plan includes a defined contribution plan and a defined benefit plan. The defined contribution plan refers to a post-employment benefit plan in which the company no longer undertakes further payment obligations after the fixed fee is paid to an independent fund; the defined benefit plan refers to a post-employment benefit plan other than the defined contribution plan.

The defined contribution plan

The defined contribution plan includes basic pension insurance, unemployment insurance, etc.

During the accounting period in which the employees provide services, the amounts payable that are calculated according to the defined contribution plan are recognized as liabilities, and are included in the current profit and loss or related asset costs.

The defined benefit plan

For the defined benefit plan, an independent actuary performs actuarial valuation on the annual balance sheet date, and determine the cost of providing benefits by using the expected cumulative benefit unit method. The employee compensation costs caused by the defined benefit plan of the Group includes the following components:

① Service costs, including current service costs, past service costs and settlement gains or losses.

Among them, the current service costs refer to the increase in the present value of the defined benefit plan obligation caused by the employee's current provision of services; the past service costs refer to the increase or decrease in the present value of defined benefit plan that are related to employee services in the previous periods and are caused by the modification of the defined benefit plan.

② The net interest of the net liabilities or net assets of the defined benefit plan includes the interest incomes of the plan assets, the interest expenses of the defined benefit plan obligations, and the interests affected by the asset ceilings.

③ Re-measurement of the changes in the net liabilities or net assets of the defined benefit plan.

Unless other accounting standards require or allow the employee welfare costs to be included in the asset costs, the Group will include said items ① and ② in the current profit and loss; item ③ will be included in other comprehensive incomes and will not be transferred back to profit and loss in follow-up accounting periods. When the original defined benefit plan is terminated, the portion originally included in other comprehensive incomes will be carried forward to the undistributed profit within the scope of equity.

(3) Accounting treatment for dismissal benefits

If the Group provides dismissal benefits to employees, the employee compensation liabilities arising from dismissal benefits are recognized as soon as possible and are included in the current profit and loss under the following conditions: when the Group cannot unilaterally withdraw the provided dismissal benefits due to the termination of labor relations or reduction proposals; when the Group confirms the costs or expenses related to the reorganization involving the payment of

dismissal benefits.

If an employee is retired internally, the economic compensation before the official retirement date is a dismissal benefit. From the date when the employee ceases to provide services to the regular retirement date, the wages and social insurance premiums paid for early retirement employees are included in the current profit and loss. Economic compensations after the official retirement date (such as regular pensions) are treated as post-employment benefits.

(4) Accounting treatment for other long-term employee benefits

Other long-term employee benefits provided by the Group to employees, which meet the conditions of the defined contribution plan, are treated in accordance with the relevant provisions on the above-mentioned defined contribution plan. The ones that meet the conditions of the defined benefit plan are treated in accordance with the relevant provisions on the above-mentioned defined contribution plan, but "re-measurements of the changes in the net liabilities or net assets of the defined benefit plan" in the relevant employee compensation costs are included in the current profit and loss or related asset costs.

21. Estimated Liabilities

The Company will recognize as estimated liabilities the obligations related to the contingencies which meet the following conditions at the same time:

- (1) This obligation is the current obligation assumed by the Company;
- (2) The performance of this obligation is likely to cause economic benefits to flow out of the Group;
- (3) The amount of this obligation can be measured reliably.

The estimated liabilities are initially measured in accordance with the best estimate of the expenditure required to perform related current obligations, and comprehensively consider factors such as risks, uncertainties and time value of money related to contingencies. If the time value of money has a significant impact, the best estimate is determined after discounting the relevant future cash outflows. The Group reviews the book value of estimated liabilities on the balance sheet date and adjusts the book value to reflect the current best estimate.

If all or part of the expenses required to settle the confirmed estimated liabilities are expected to be compensated by a third party or other parties, the compensation amount can only be separately confirmed as an asset when it is basically certain that it can be received. The confirmed compensation amount does not exceed the book value of the confirmed liability.

22. Share-Based Payment

(1) Types of share-based payment

The share-based payment of the Company contains equity-settled share-based payment and cash-

settled share-based payment.

(2) How to determine the fair value of equity instruments

The Company determines the fair value of the granted equity instruments such as options that have an active market based on the quoted prices in the active market. For equity instruments such as options that have no active market, the fair value of the equity instruments is determined using option pricing models. The selected option pricing model considers the following factors: A. the exercise price of the option; B. the validity period of the option; C. the current price of the underlying shares; D. the expected volatility of the share price; E. the expected dividend of the shares; F. the risk-free interest rate during the validity period of the option.

(3) The basis for confirming the best estimate of exercisable equity instruments

At each balance sheet date during the waiting period, the Group makes the best estimate based on the latest follow-up information such as changes in the number of vested employees, and revises the number of equity instruments that are expected to vest. On the vesting date, the final estimated number of vesting equity instruments should be consistent with the actual vesting number.

(4) Relevant accounting treatments for the implementation, modification, and termination of share-based payment plans

Equity-settled share-based payments are measured at the fair value of the equity instruments granted to employees. For those that can be exercised immediately after the grant, the fair value of the equity instrument shall be included in the relevant costs or expenses on the date of grant, and the capital reserve shall be increased accordingly. For those that can be exercised only after the completion of the service within the waiting period or the required performance conditions are met, on each balance sheet date during the waiting period, based on the best estimate of the number of vesting equity instruments, the services obtained in the current period shall be included in the relevant costs or expenses and capital reserve according to the fair value on the equity instrument grant date. No adjustments will be made to the confirmed related costs or expenses and the total owner's equity after the vesting date.

Cash-settled share-based payments are measured at the fair value of the liabilities calculated and determined on the basis of shares or other equity instruments undertaken by the Group. For those that can be exercised immediately after the grant, the fair value of the liabilities assumed by the Group shall be included in the relevant costs or expenses on the date of grant, and the liabilities shall be increased accordingly. For cash-settled share-based payments that can be exercised only after the completion of the service within the waiting period or the required performance conditions are met, on each balance sheet date during the waiting period, based on the best estimate of the

vesting conditions, the services obtained in the current period shall be included in the relevant costs or expenses and corresponding liabilities according to the fair value of the liabilities assumed by the Group. On each balance sheet date and settlement date before the settlement of the relevant liabilities, the fair value of the liabilities is remeasured, and the changes are included in the current profit and loss.

When the Group revises the share-based payment plan, if the revision increases the fair value of the equity instruments granted, the increase in the services obtained shall be recognized according to the increase in the fair value of the equity instruments; if the revision increases the number of equity instruments granted, the fair value of the increased equity instruments is correspondingly recognized as an increase in services obtained. The increase in the fair value of equity instruments refers to the difference between the fair values of the equity instruments before and after the modification on the modification date. If the modification reduces the total fair value of the share-based payment or adopts other methods that are not conducive to the employees to modify the terms and conditions of the share-based payment plan, the accounting treatment of the services obtained will continue, as if the change has never occurred, unless the Group cancels part or all of the granted equity instruments.

During the waiting period, if the granted equity instruments are cancelled (except for those cancelled due to non-market conditions that do not meet the exercisable conditions), the Group treats the cancellation of the granted equity instruments as an accelerated exercise, and the amount that should be confirmed within the remaining waiting period is immediately included in the current profit and loss, and the capital reserve is confirmed at the same time. If employees or other parties can choose to meet the non-exercising conditions but have not met within the waiting period, the Group treats it as cancellation of granted equity instruments.

(5) Restricted shares

Under the Share Incentive Scheme, the Company shall grant restricted shares to the incentive participants, and the incentive participants shall subscribe for the shares first. If the unlocking conditions stipulated in the Share Incentive Scheme are not met subsequently, the Company shall repurchase the shares at a pre-agreed price. If the restricted shares issued to employees have gone through the registration and other procedures for capital increase in accordance with the relevant provisions, on the date of grant, the Company shall recognize the capital stock and capital reserve (capital stock premium) based on the subscription money received from employees; at the same time, the Company shall recognize the treasury shares and other payables for repurchase obligations.

23. Revenue

Accounting Policies for Recognizing and Measuring Revenue

(1) General principles

The Group recognizes revenue when it has fulfilled the performance obligations in the contract, that is, when the Client obtains control of the relevant goods or services.

If the contract contains two or more obligations, the Group shall allocate the transaction price to individual obligation in accordance with the relative proportion of stand-alone selling price of goods or services promised by individual obligation on the starting date of the contract. Revenue is measured based on the transaction price allocated to individual obligation.

The Group is considered to perform its obligations within a certain period of time when one of the following conditions is met; otherwise, it is considered to perform its obligations at a certain point in time.

- ① Clients obtain and consume the economic benefits brought by the Group's performance at the same time as the Group's performance.
- ② Clients can control the products under construction during the performance of the Group.
- ③ The goods produced during the performance of the Group have irreplaceable uses, and the Group has the right to receive payment for the cumulative performance part that has been completed during the entire contract period.

For performance obligations performed within a certain period of time, the Group recognizes revenue in accordance with the performance progress during that period. When the performance progress cannot be reasonably determined, if the cost incurred by the Group is expected to be compensated, the revenue shall be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined.

For performance obligations performed at a certain point in time, the Group recognizes revenue at the point when the client obtains control of the relevant goods or services. When determining whether the client has obtained control of goods or services, the Group will consider the following signs:

- ① The Group enjoys the right of prompt payment for the goods or services, that is, the Client has the obligation of prompt payment for the goods.
- ② The Group has transferred the legal ownership of the product to the Client, that is, the Client has the legal ownership of the product.

- ③ The Group has transferred the goods in kind to the Client, that is, the Client has taken possession of the goods in kind.
- ④ The Group has transferred the main risks and rewards of the ownership of the goods to the Clients, that is, the Clients have obtained the main risks and rewards of the ownership of the goods.
- ⑤ The Client has accepted the goods or services.
- ⑥ Other signs that the Client has obtained control of the product.

(2) Specific methods

The Company's revenue mainly comes from the following business types: sales of goods, provision of engineering project construction services, provision of design services, provision of freight forwarding services and hotel management.

The specific methods of the Group's revenue recognition are as follows:

① Sales of waterproof products:

The specific method for the Group to sell products such as coils and coatings is as follows: When the product is delivered to the Client and the Client has accepted the product and signed for the shipping order, namely, when the Client obtains the control right of the product, the revenue is recognized.

② Waterproof construction service:

In the process of providing waterproofing engineering construction, the Group recognizes revenue based on the actual contract cost incurred as a percentage of the estimated total contract cost, that is, the performance progress multiplied by the total contract revenue.

③ Architectural design service:

The architectural design business of the Company takes the work results that have been submitted and accepted by the customer as the output, that is, when the Company submits the results and the customer approves them in writing, the revenue is recognized according to the output value agreed by both parties.

Differences in revenue recognition accounting policies may occur due to different business models for similar businesses

24. Contract costs

Contract costs include incremental costs of obtaining contracts and costs to fulfill contracts.

Incremental costs of obtaining contracts refer to the costs (such as sales commissions, etc.) that would not be incurred if the Company does not obtain the contracts. If said costs are expected to be recovered, the Company recognizes them as assets as costs of obtaining contracts. Other costs incurred by the Company in order to obtain the contract, other than the incremental cost that is expected to be recovered, are included in the current profit and loss when occurred.

The Company will recognize the costs to fulfill contracts as assets if the costs incurred for fulfilling contracts do not fall within the scope of other accounting standards for enterprises such as inventory, and meet the following conditions at the same time:

- ① Said costs are directly related to current or anticipated contracts, including direct labor, direct materials, manufacturing overhead (or similar expenses), costs clearly borne by the Client , and other costs incurred only due to the contracts;
- ② Said costs increase resources of the Company that will be used in satisfying performance obligations in the future;
- ③ Said costs are expected to be recovered.

The assets recognized by costs of obtaining contracts and the assets recognized by costs to fulfill contracts (hereinafter referred to as "assets related to contract costs") are amortized on the same basis as the recognition of the goods or services revenues related to said assets and included in the current profit and loss.

When the book values of the assets related to contract costs are higher than the difference between the following two items, the Company accrues provisions for impairments of the excess part and recognizes them as asset impairment losses:

- ① Remaining consideration that the Company expects to obtain from the transfers of goods or services related to said assets;
- ② Estimate costs that will be incurred for the transfers of said related goods or services.

25. Government Subsidies

Government subsidies are confirmed when they meet the conditions attached to the government subsidies and can be received.

Government subsidies for monetary assets are measured according to the amount received or receivable. Government subsidies for non-monetary assets shall be measured at fair value; if the fair value cannot be obtained reliably, it shall be measured at a nominal amount of RMB1.

Government subsidies related to assets refer to government subsidies obtained by the Group for purchase and construction or other ways to form long-term assets; otherwise, they are government subsidies related to income.

For those of which the government documents do not clearly specify the subsidy object, and can form long-term assets, the part of the government subsidy corresponding to the asset value is regarded as the government subsidy related to the asset, and the remaining part is regarded as the government subsidy related to the income; if it is difficult to distinguish, the government subsidy is regarded as the government subsidy related to income as a whole.

Government subsidies related to assets are recognized as deferred income and included in profit and loss in installments in accordance with a reasonable and systematic method within the useful life of the relevant assets. Government subsidies related to income are included in current profit and loss if they are used to compensate related costs or losses that have occurred; those used to compensate related costs or losses in subsequent periods are included in deferred income, and are included in the related profit and loss within the related costs or losses recognition period. Government subsidies measured at their nominal amounts are directly included in the current profits and losses. The Group adopts the same method to deal with the same or similar government subsidies.

Government subsidies related to daily activities are included in other income in accordance with the nature of economic business. Government subsidies not related to daily activities are included in non-operating income and expenditure.

When the confirmed government subsidy needs to be returned, if there is a relevant deferred income balance, the book balance of the relevant deferred income shall be offset, and the excess part shall be included in the current profit and loss; in other cases, it shall be directly included in the current profit and loss.

26. Deferred Income Tax Assets/Deferred Income Tax Liabilities

Income tax includes current income tax and deferred income tax. Except that the deferred income tax for adjusted goodwill arising from the business merger or related to the transaction or event is included in the owner's equity, it is included in the current profit and loss as the income tax expense. The Group adopts the balance sheet debt method to recognize the deferred income tax based on the temporary difference between the book value of assets and liabilities on the balance sheet date and the tax base.

All taxable temporary differences are recognized as related deferred income tax liabilities, unless the taxable temporary differences are generated in the following transactions:

(1) The initial recognition of goodwill, or the initial recognition of assets or liabilities arising from a

transaction with the following characteristics: the transaction is not a business merger, and the transaction does not affect accounting profits nor taxable income;

(2) For taxable temporary differences related to investments in subsidiaries, joint ventures and associates, the time for the reversal of the temporary differences can be controlled and the temporary differences may not be reversed in the foreseeable future.

For deductible temporary differences, deductible losses that can be carried forward to future years, and tax deductions, the Group recognizes the resulting deferred income tax assets with the limit of future taxable income likely obtained to deduct the deductible temporary differences, deductible losses and tax deductions, unless the deductible temporary difference is generated in the following transactions:

(1) The transaction is not a business merger, and neither accounting profits nor taxable income will be affected when the transaction occurs;

(2) For deductible temporary differences related to investments in subsidiaries, joint ventures, and associates, which meet the following conditions at the same time, corresponding deferred income tax assets are confirmed: temporary differences are likely to be reversed in the foreseeable future, and taxable income are likely to be obtained in the future to be used to deduct temporary differences.

On the balance sheet date, the Group measures the deferred income tax assets and deferred income tax liabilities at the tax rate applicable to the period during which the asset is expected to be recovered or the liability be settled, and reflects the income tax impact of the way the asset is expected to be recovered or the liability be settled on the balance sheet date.

On the balance sheet date, the Group reviews the book value of deferred income tax assets. If it is probable that sufficient taxable income cannot be obtained in the future to offset the benefits of deferred income tax assets, the book value of the deferred income tax assets shall be written down.

When it is possible to obtain sufficient taxable income, the write-down amount shall be reversed.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities shall be presented as the net amounts after offsetting when the following conditions are met simultaneously:

(1) The taxpayer in the Company has the legal right to settle the current income tax assets and current income tax liabilities on a net basis;

(2) Deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax collection and administration department on the same taxpayer within the Company.

27. Lease

(1) Accounting method of lease as lessee

At the beginning of the lease term, the Company recognizes right-of-use assets and other leases for all leases, except for short-term leases with simplified treatment and leases of low-value assets.

Please refer to Note III.29 for the accounting policy of right-of-use assets.

The lease liability is initially measured at the present value of the unpaid lease payments at the interest rate implicit in the lease on the lease commencement date. If the interest rate implicit in the lease cannot be determined, the incremental borrowing interest rate is adopted as the discount rate. Lease payments include: fixed payments and substantially fixed payments, less amounts related to lease incentives where lease incentives exist; variable lease payments that depend on an index or rate; the exercise price of a purchase option if the lessee is reasonably certain to exercise the option; The amount payable to exercise the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease; and the amount expected to be payable based on the guaranteed residual value provided by the lessee. Interest expense on the lease liability over the lease term is subsequently calculated at a fixed periodic interest rate and included in the current profit or loss. The amount of variable lease payments not included in the measurement of lease liabilities is included in the current profit and loss when it is actually incurred.

Short-term lease

A short-term lease is a lease with a term of not more than 12 months since the commencement date of the lease term, except where the lease contains a purchase option.

The Company includes the lease payment of short-term lease in the relevant asset cost or current profit and loss according to the straight-line method in each period of the lease term.

For short-term lease, the Company adopts the above simplified treatment method for the items meeting the short-term lease conditions in the following assets according to the category of leased assets.

Lease of low-value assets

The lease of low-value assets refers to the lease of a single leased asset with a value of less than RMB 50,000 when it is a new asset.

The Company includes the lease payment for the lease of low-value assets in the relevant asset cost or current profit and loss according to the straight-line method in each period of the lease term.

For the lease of low-value assets, the Company adopts the above simplified treatment method according to the specific conditions of each lease.

Lease change

If the lease is changed and the following conditions are also met, the Company treats the lease change as a separate lease for accounting treatment: ① The lease change expands the scope of the lease by adding the right to use one or more leased assets; ② The increased consideration is equivalent to the amount of the separate price of the expanded part of the lease scope adjusted according to the contract situation.

If the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Company shall re-apportion the consideration of the contract after the change, re-determine the lease term, and re-measure the lease liability according to the present value of the lease payment after the change and the revised discount rate.

If the lease scope is reduced or the lease term is shortened due to the change of the lease, the Company shall reduce the book value of the right-of-use asset accordingly, and include the gains or losses related to the partial or complete termination of the lease in the current profits and losses.

If the lease liability is re-measured due to other lease changes, the Company shall adjust the book value of the right-of-use asset accordingly.

(2) Accounting method of lease as lessor

When the Company acts as a lessor, the lease that substantially transfers all the risks and rewards related to the ownership of assets is recognized as a finance lease, and other leases other than finance leases are recognized as operating leases.

Finance lease

In the finance lease, on the commencement date of the lease term, the Company regards the net lease investment as the entry value of the finance lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term discounted at the interest rate implicit in the lease. The Company, as the lessor, calculates and recognizes the interest income during each period of the lease term at a fixed periodic interest rate. The variable lease payments obtained by the Company as the lessor and not included in the net lease investment are included in the current profit and loss when they are actually incurred.

The derecognition and impairment of finance lease receivables shall be subject to the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments and the Accounting Standards for Business Enterprises No.23 - Transfer of Financial Assets.

Operating Lease

For the rents in operating lease, the company recognizes the current profit and loss according to the straight-line method in each period of the lease term. The initial direct expenses related to the operating lease shall be capitalized, amortized on the same basis as the recognition of rental income during the lease term, and included in the current profits and losses by stages. The amount of variable lease payments obtained related to operating leases that are not included in the lease receipts shall be included in the current profits and losses when actually incurred.

Lease Change

If the operating lease is changed, the Company shall treat it as a new lease for accounting treatment from the effective date of the change, and the advance or receivable lease receipts related to the lease before the change shall be regarded as the new lease receipts.

If the financial lease is changed and the following conditions are met at the same time, the company will treat the change as a separate lease for accounting treatment: ① the change expands the lease scope by increasing the use right of one or more leased assets; ② The increased consideration is equivalent to the amount adjusted according to the conditions of the contract at the separate price for most of the expansion of the lease scope.

If the financial lease is changed but not accounted for as a separate lease, the company will deal with the changed lease under the following circumstances: ① if the change takes effect on the lease commencement date, the lease will be classified as an operating lease. The company will account for it as a new lease from the effective date of the lease change, and take the net amount of lease investment before the effective date of the lease change as the book value of the leased asset; ② If the change takes effect on the lease commencement date, the lease will be classified as a financial lease. Then the company will conduct accounting treatment in accordance with the provisions on modifying or renegotiating the contract in the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments.

28. Other Important Accounting Policies and Estimates

1. Right-of-use assets

(1) Recognition conditions of right-of-use assets

The right-of-use assets are the rights of the Company, as lessee, to use the leased asset during the lease term.

On the commencement date of the lease term, the right-of-use assets are initially measured at cost. The cost includes: the initial measurement amount of the lease liability; the lease payment amount

paid on or before the commencement date of the lease term; if there is a lease incentive, the amount related to the lease incentive that has been enjoyed shall be deducted; the initial direct expenses incurred by the Company as a lessee; The costs expected to be incurred by the Company, as the lessee, for dismantling and removing the Leased Assets, restoring the site where the Leased Assets are located, or restoring the leased assets to the state as agreed in the lease terms. The Company, as the lessee, recognizes and measures the costs of demolition and restoration in accordance with the Accounting Standards for Business Enterprises No.13 - Contingencies. Adjustments are made for any subsequent remeasurement of the lease liability.

(2) Depreciation method of right-of-use assets

The Company adopts the straight-line method to calculate depreciation. If the Company, as the lessee, can reasonably determine to obtain the ownership of the leased asset at the expiration of the lease term, depreciation shall be accrued over the remaining useful life of the leased asset. If it is not reasonably certain that the ownership of the leased asset can be obtained at the expiration of the lease term, depreciation shall be accrued over the shorter of the lease term and the remaining useful life of the leased asset.

(3) Refer to Note III.19 for the impairment test method and impairment provision method of the right-of-use assets.

2. Buyback

The shares repurchased by the company shall be managed as treasury stocks before they are cancelled or transferred, and all expenditures for the repurchase of shares shall be transferred to the cost of treasury shares. The consideration and transaction costs paid in share repurchase reduce the owner's equity. When repurchasing, transferring or canceling the company's shares, no gain or loss is recognized.

When transferring treasury shares, the difference between the actual amount received and the book value of the treasury shares is included in the capital reserve. If the capital reserve is insufficient to offset, the surplus reserve and undistributed profits will be offset. For the cancellation of treasury shares, the share capital shall be reduced according to the face value of the shares and the number of shares cancelled, and the capital reserve shall be reduced according to the difference between the book balance and the face value of the cancelled treasury shares. If the capital reserve is insufficient to offset, the surplus reserve and undistributed profits will be offset.

3.Assets securitization business

The Group securitizes the accounts receivable (accounts receivable are "trust property"), and generally sells these assets to a specific purpose entity, which then issues securities to investors. The equity of securitized financial assets is retained in the form of credit enhancements, subordinated bonds or other residual equity (reserved equity). The retained equity is recorded at fair value in the

group's balance sheet. The gains or losses of securitization depend on the book value of the transferred financial assets, and are distributed between the financial assets that are derecognized and the retained equity according to their relevant fair value on the date of transfer. Securitization gains or losses are recorded in the current profit and loss.

In applying the policy of securitizing financial assets, the Group has considered the degree of risk and reward transfer of assets transferred to another entity, as well as the degree to which the Group exercises control over the entity:

- ① When the group has transferred almost all the risks and rewards of the ownership of the financial asset, the group will terminate the recognition of the financial asset;
- ② When the group retains almost all the risks and rewards of the ownership of the financial asset, the group will continue to recognize the financial asset;
- ③ If the group does not transfer or retain almost all the risks and rewards of the ownership of the financial asset, the group will consider whether there is control over the financial asset. If the group does not retain control, the financial asset will be derecognized and the rights and obligations arising from or retained during the transfer will be defined as assets or liabilities, respectively. If the group retains control, the financial asset will be recognized based on the degree of continued involvement in it.

4. Hedge Accounting

When initially designating the hedging relationship, the Company formally designates the hedging instrument and the hedged item, and has a formal written document to record the hedging relationship, risk management strategy and risk management objectives. Its content records shall include the hedging instrument, the hedged item, the nature of the hedged risk, and the method for evaluating the effectiveness of the hedge.

The Company continuously evaluates the effectiveness of the hedge and judges whether the hedge meets the requirements for the effectiveness of hedge accounting during the accounting period in which the hedging relationship is designated. If not, the use of the hedging relationship shall be terminated. The application of hedging accounting shall meet the following requirements for the effectiveness of hedging:

- ① There is an economic relationship between the hedged item and the hedging instrument.
- ② In the value changes arising from the economic relationship between the hedged item and the hedging instrument, the impact of credit risk is not dominant.

③The hedging ratio of a hedging relationship shall be equal to the ratio of the quantity of the hedged item that is actually hedged by the enterprise to the actual quantity of its hedging instrument, but shall not reflect the imbalance of the relative weight of the hedged item and the hedging instrument, which may result in the ineffectiveness of hedging and may give rise to the accounting result inconsistent with the hedging accounting objective.

In case of any of the following circumstances, the Company shall terminate the application of hedge accounting:

①Due to the change of risk management objectives, the hedging relationship no longer meets the risk management objectives.

②The hedging instrument has been expired, sold, or the contract has been terminated or exercised.

③There is no economic relationship between the hedged item and the hedging instrument, or the impact of credit risk begins to dominate in the value changes arising from the economic relationship between the hedged item and the hedging instrument.

④The hedging relationship no longer meets other conditions for applying the hedge accounting method.

Fair value hedges

Fair value hedge refers to the hedge of the Company's recognized assets or liabilities, unrecognized firm commitments, or the exposure to changes in the fair value of the components of the above items. The changes in fair value are due to specific risks and will affect the profit or loss or other comprehensive income of the enterprise.

For a fair value hedge, the gain or loss arising from the hedging instrument is included in the current profit or loss. The gain or loss of the hedged item due to the hedged risk exposure shall be included in the current profit or loss, and the book value of the recognized hedged item not measured at fair value shall be adjusted at the same time.

If the hedged item is a financial instrument (or its component) measured at amortized cost, the adjustment to the book value of the hedged item shall be amortized according to the recalculated effective interest rate on the date when the amortization begins, and shall be recorded in the current profits and losses.

If the hedged item is an unrecognized firm commitment (or its component), the accumulative amount of changes in fair value caused by the hedged risk after the designation of the hedging

relationship shall be recognized as an asset or liability, and the relevant gains or losses shall be included in the profits and losses of each relevant period. When an asset is acquired or a liability is assumed as a result of fulfilling a firm commitment, the amount of initial recognition of the asset or liability is adjusted to include the cumulative amount of changes in the fair value of the recognized hedged item.

Cash flow hedges

Cash flow hedge refers to the hedge of the risk to changes in cash flow. The change in cash flow is attributable to the recognized assets or liabilities, highly probable forecast transactions, or specific risks related to the components of the above items, and will affect the profit or loss of the enterprise.

The effective portion of the gains or losses arising from the hedging instrument shall be included in other comprehensive income as a cash flow hedge reserve. The ineffective part of hedging (i.e. other gains or losses after deducting other comprehensive income) shall be included in the current profits and losses.

For cash flow hedges, when the hedged item is a forecast transaction, and the forecast transaction makes the Company subsequently recognize a non-financial asset or non-financial liability, or when the forecast transaction of a non-financial asset or non-financial liability forms a firm commitment applicable to fair value hedging accounting, the Company transfers out the amount of cash flow hedge reserve originally recognized in other comprehensive income. The amount included in the initial recognition of the asset or liability.

For cash flow hedges that do not fall under the above circumstances, the Company transfers the amount of cash flow hedge reserve originally recognized in other comprehensive income during the same period when the expected cash flow hedged affects the profit and loss, and includes it in the current profit and loss.

If the amount of cash flow hedge reserve recognized in other comprehensive income is a loss, and all or part of the loss is expected to be unable to make up in the future accounting period, the Company will transfer the part that is expected to be unable to make up from other comprehensive income and include it in the current profits and losses when it is expected that it cannot be made up.

When the Company terminates the use of hedge accounting for cash flow hedges, if the future cash flows to be hedged are still expected to occur, the amount of the accumulated cash flow hedge reserve recognized in other comprehensive income shall be retained until the expected transaction actually occurs, and then it shall be treated according to the above accounting policy for cash flow hedges. If the future cash flow hedged is not expected to occur again, the amount of the

accumulated cash flow hedge reserve recognized in other comprehensive income is transferred out of other comprehensive income and included in the current profits and losses. If the future cash flow to be hedged is no longer expected to occur but may still be expected to occur, the amount of the accumulated cash flow hedge reserve shall be retained until the actual occurrence of the expected transaction, and then it shall be dealt with according to the above accounting policy for cash flow hedge.

5. Debt Restructuring

(1) The Company as the debtor

When the current obligation of the debt is discharged, the debt is derecognized. Specifically, when the uncertainty of the implementation process and result of the debt restructuring agreement is eliminated, the profit and loss related to the debt restructuring is recognized.

In case of debt restructuring in the form of liquidation of debts by assets, the Company shall terminate the recognition when the relevant assets and the liquidated debts meet the conditions for termination of recognition, and the difference between the book value of the liquidated debts and the book value of the transferred assets shall be included in the current profits and losses.

In case of debt restructuring by converting debt into equity instrument, the Company shall terminate the recognition when the debt paid off meet the conditions for derecognition. When the Company initially recognizes the equity instrument, it shall be measured according to the fair value of the equity instrument. If the fair value of the equity instrument cannot be measured reliably, it shall be measured according to the fair value at which the debt is liquidated. The difference between the book value of the liquidated debt and the recognized amount of the equity instrument shall be included in the current profits and losses.

In case of debt restructuring by modifying other terms, the Company shall recognize and measure the restructured debt in accordance with the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments and the Accounting Standards for Business Enterprises No.37 - Presentation of Financial Instruments.

In case of debt restructuring by means of paying off debts with multiple assets or by means of combination, the Company shall recognize and measure the equity instruments and restructured debts in accordance with the aforementioned methods, and the difference between the book value of the debts paid off and the sum of the book value of the transferred assets and the recognized amount of the equity instruments and restructured debts shall be included in the current profits and losses.

(2) The Company as a creditor

The creditor's rights shall be derecognized when the contractual right to collect the cash flow of the creditor's rights are terminated. Specifically, when the uncertainty of the implementation process

and results of the debt restructuring agreement is eliminated, the profits and losses related to debt restructuring are recognized.

In case of debt restructuring in the form of liquidation of debts by assets, the assets other than the transferred financial assets shall be measured at cost when the Company initially recognizes them, in which the cost of inventories includes the fair value of the abandoned creditor's rights and other costs directly attributable to the assets, such as taxes, transportation fees, loading and unloading fees and insurance premiums incurred to bring the assets to their current position and status. The cost of an investment in an associate or a joint venture includes the fair value of the abandoned claim and other costs directly attributable to the asset, such as taxes. The cost of an investment real estate shall include the fair value of the creditor's rights abandoned and other costs such as taxes directly attributable to the asset. The cost of a fixed asset includes the fair value of the waiver of the creditor's rights and the tax, transportation fee, loading and unloading fee, installation fee, professional service fee and other costs directly attributable to the asset incurred before the asset is ready for its intended use. The cost of intangible assets includes the fair value of the abandoned creditor's rights and other costs directly attributable to the taxes incurred to achieve the intended use of the assets. The difference between the fair value of the abandoned creditor's rights and the book value shall be included in the current profits and losses.

If the debt restructuring in the form of conversion of debt into equity instrument results in the Company's conversion of creditor's rights into equity investment in associates or joint ventures, the Company measures the initial investment cost according to the fair value of the abandoned creditor's rights and other costs such as taxes directly attributable to the assets. The difference between the fair value of the abandoned creditor's rights and the book value shall be included in the current profits and losses.

In case of debt restructuring by modifying other terms, the Company shall recognize and measure the restructured creditor's rights in accordance with the provisions of the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments.

Where debt restructuring is carried out by means of multiple assets to pay off debts or combinations, the transferred financial assets and restructured creditor's rights shall first be recognized and measured in accordance with the provisions of the Accounting Standards for Enterprises No.22 - Recognition and Measurement of Financial Instruments, and then in accordance with the fair value of the assets other than the transferred financial assets. The net amount of the fair value of the abandoned creditor's rights after deducting the recognized amount of the transferred financial assets and the restructured creditor's rights shall be allocated, and on this basis, the cost of

each asset shall be determined separately according to the aforementioned methods. The difference between the fair value of the abandoned creditor's rights and the book value shall be included in the current profits and losses.

6. Major Accounting Determinations and Estimates

Based on historical experience and other factors, including reasonable expectations of future events, the Company conducts continuous evaluation on the important accounting estimates and key assumptions adopted. The significant accounting estimates and key assumptions that are likely to result in a significant risk of adjustment to the book values of assets and liabilities in the next fiscal year are listed below:

Classification of financial assets

The Company's major determinations in determining the classification of financial assets include the analysis of business model and contractual cash flow characteristics.

The Company determines the business model for the management of financial assets at the level of the portfolio of financial assets, taking into account factors such as the way in which the performance of financial assets is evaluated and reported to key management personnel, the risks affecting the performance of financial assets and how they are managed, and the way in which the relevant business management personnel are remunerated.

When assessing whether the contractual cash flow of financial assets is consistent with the basic borrowing and lending arrangements, the Company will consider: whether the principal may change in time distribution or amount during the duration due to early repayment and other reasons; whether the interest only includes the time value of money, credit risk, other basic borrowing and lending risks and the consideration of cost and profit. For example, whether the amount of the prepayment reflects only the unpaid principal and interest based on the unpaid principal, as well as the reasonable compensation paid for the early termination of the contract.

Measurement of expected credit losses of accounts receivable

The Company calculates the expected credit losses of accounts receivable based on the exposure to default risk of accounts receivable and the expected credit loss rate, and determines the estimated credit loss rate based on the probability of default and the loss given default rate. In determining the expected credit loss ratio, the Company uses data such as internal historical credit loss experience and adjusts historical data for current conditions and forward-looking information. In considering forward-looking information, the Company uses indicators such as the risk of an economic downturn, external market conditions, changes in the technology environment and customer profiles. The Company regularly monitors and reviews the assumptions associated with the calculation of expected credit losses.

Impairment of goodwill

The Company assesses goodwill for impairment at least annually. This requires an estimate of the value in use of the asset group to which the goodwill has been allocated. When estimating the value in use, the Company needs to estimate the future cash flow from the asset group and select an appropriate discount rate to calculate the present value of the future cash flow.

Deferred income tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that sufficient taxable profits will be available against which the losses can be utilised. This requires management to use a lot of judgment to estimate the time and amount of future taxable profits, combined with tax planning strategies, to determine the amount of deferred income tax assets that should be recognized.

29. Changes in Important Accounting Policies and Accounting Estimates

(1) Changes in important accounting policies

Applicable Not applicable

Contents of and Reasons for Accounting Policy Changes	Approval Procedure	Remark
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① Interpretation of Accounting Standards for Business Enterprises No.16

In November 2022, the Ministry of Finance of the People's Republic of China issued the Interpretation of Accounting Standards for Business Enterprises No.16 (Accounting [2022] No.31) (hereinafter referred to as "Interpretation No.16").

Interpretation No.16 stipulates that for a single transaction that is not a merger of enterprises, which does not affect accounting profits or taxable income (or deductible losses) at the time of transaction, if the assets and liabilities initially recognized result in equivalent taxable temporary differences and deductible temporary differences, the corresponding deferred income tax liabilities and deferred income tax assets shall be recognized respectively in accordance with the relevant provisions of the Accounting Standards for Enterprises No.18 - Income Tax. For the aforesaid transactions that occur between the beginning of the earliest period for which the aforesaid provisions are first implemented and the implementation date of this Interpretation, an enterprise shall, in accordance with the aforesaid provisions, adjust the retained earnings at the beginning of the earliest period for which the financial statements are presented and other relevant financial statement items by the cumulative effect. The above accounting treatment provisions shall come into effect on January 1, 2023.

The Company shall adjust the taxable temporary differences and deductible temporary differences



arising from the lease liabilities and right-of-use assets recognized by the leasing business, as well as the estimated liabilities related to the recognized abandonment obligations and the corresponding related assets in accordance with the provisions of Interpretation No.16.

The impact of the implementation of the above accounting policies on the consolidated balance sheet on December 31, 2023 and the consolidated income statement in 2023 is listed below:

Consolidated Balance Sheet Items (December 31, 2023)	Amount Affected
Deferred income tax assets	33,119,513.52
Deferred income tax liabilities	31,920,793.39
Surplus reserve	75,981.21
Undistributed profits	1,136,897.93
Minority interests	-14,159.01

Consolidated Income Statement Items (2023)	Amount Affected
Income tax expense	-464,653.32
Net profit attributable to shareholders of the parent company	488,367.32
Profit and loss of minority shareholders	-23,714.00

(2) Changes in important accounting estimates

Applicable, Not applicable

(3) Relevant items of the financial statements at the beginning of the year when the new accounting standards are implemented for the first time since 2023

Applicable Not applicable

Instructions on the adjustment

The impact of the implementation of the above accounting policies on the consolidated balance sheet on December 31, 2022 and the consolidated income statement in 2022 is listed below:

Consolidated Balance Sheet Items (December 31, 2022)	Before Adjustment	Amount Adjusted	After Adjustment
-----------------------------------------------------------------	--------------------------	------------------------	-------------------------



Consolidated Balance Sheet Items (December 31, 2022)	Before Adjustment	Amount Adjusted	After Adjustment
Deferred income tax assets	697,047,337.37	34,993,282.69	732,040,620.06
Deferred income tax liabilities	10,532,512.91	33,329,909.24	43,862,422.15
Surplus reserve	543,827,204.85	44,907.49	543,872,112.34
Undistributed profits	14,120,949,080.02	1,608,910.97	14,122,557,990.99
Minority interests	381,302,537.09	9,554.99	381,312,092.08

Items of Consolidated Income Statement (2022)	Before Adjustment	Amount Adjusted	After Adjustment
Income tax expense	485,551,157.18	-1,042,471.30	484,508,685.88
Net profit attributable to shareholders of the parent company	2,120,297,575.39	1,056,253.88	2,121,353,829.27
Profit and loss of minority shareholders	-2,454,377.40	-13,782.58	-2,468,159.98

The impact of the implementation of the above accounting policies on the consolidated balance sheet at January 1, 2022 is listed below:

Consolidated Balance Sheet Items (January 1, 2022)	Before Adjustment	Amount Adjusted	After Adjustment
Deferred income tax assets	527,575,786.70	41,325,135.39	568,900,922.09
Deferred income tax liabilities	17,044,180.06	40,704,233.24	57,748,413.30
Surplus reserve	392,980,880.64	12,627.77	392,993,508.41
Undistributed profits	12,904,011,418.14	584,936.81	12,904,596,354.95
Minority interests	389,266,034.87	23,337.57	389,289,372.44

The cumulative effect of the above accounting policies is listed below:

Item Affected	December 31, 2023	December 31, 2022
Opening net assets	--	1,663,373.45



Item Affected	December 31, 2023	December 31, 2022
Of which: retained earnings	--	1,653,818.46
Net profits	-464,653.32	1,056,253.88
Closing net assets	1,198,720.13	--
Of which: retained earnings	1,212,879.14	--

VI. Taxes

1. Main taxes and tax rate

Taxes	Tax basis	Tax rate
Value-added tax	Value-added tax payable (the tax payable is calculated by multiplying the taxable sales amount by the applicable tax rate after deducting the input tax allowed to be deducted in the current period)	13, 9, 6, 3, 1
Urban maintenance and construction tax	Turnover tax actually paid	7, 5, 1
Corporate income tax	Taxable income	15, 25
Education surcharge	Turnover tax actually paid	3, 2

If there are taxable entities with different corporate income tax rates, the information should be disclosed.

Name of taxable entities	Income tax rates

2. Tax incentives

(1) Tax incentives for high-tech enterprises

According to the relevant provisions of the Administrative Measures for the Recognition of High-tech Enterprises and the Enterprise Income Tax Law of the People's Republic of China, the enterprise income tax of high-tech enterprises shall be calculated and paid at 15% within three years after obtaining the recognition of high-tech enterprises.

According to the Announcement on Further Perfecting the Pre-tax Deduction Policy for R&D



Expenses (2023) (Announcement No.7 of 2023 of the State Taxation Administration and the Ministry of Finance), if the actual R&D expenses incurred by an enterprise in carrying out R&D activities do not form intangible assets and are included in the current profits and losses, they shall be deducted according to the regulations, starting from January 1, 2023. 100% of the actual amount will be deducted before tax; if intangible assets are formed, 200% of the cost of intangible assets will be amortized before tax from January 1, 2023.

The Company and its subsidiaries, including Shanghai Oriental Yuhong Waterproofing Technology Co., Ltd., Oriental Yuhong Civil Building Materials Co., Ltd., Yueyang Oriental Yuhong Waterproofing Technology Co., Ltd. and other 40 companies, are recognized as high-tech enterprises to enjoy the preferential tax policy.

(2) Preferential enterprise income tax for the development of the western region

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Development of the Western Region (Ministry of Finance Announcement No.23, 2020), from January 1, 2021 to December 31, 2030, enterprises in encouraged industries located in the western region shall be subject to enterprise income tax at a reduced rate of 15%.

In 2023, Chongqing Oriental Yuhong Building Materials Co., Ltd. enjoyed the preferential tax policy.

3. Others

VII. Notes to Items of Consolidated Financial Statements

1. Monetary Funds

Unit: RMB

Items	Closing balance	Opening balance
Cash on Hand	3,089,742.26	2,248,492.06
Bank Deposits	8,428,262,703.62	9,793,618,515.41
Other Monetary Funds	688,148,223.49	743,349,751.08
Total	9,119,500,669.37	10,539,216,758.55
Of which: Total Funds Deposited Abroad	375,399,625.62	230,175,619.49

Other instructions:



At the end of the Reporting Period, the restricted monetary funds of the Company were RMB 642,684,210.19, including all other monetary funds of RMB 597,174,457.66 (including security deposit of RMB 364,581,378.00 paid for bank's acceptance, guarantee money of RMB 154,538,151.66, security deposit of letter of credit of RMB 60,526,052.85, escrow fund of RMB 17,528,875.15 for government projects) and funds of RMB 45,509,752.53 frozen by litigation.

Except for the above matters, the Company has no funds mortgaged, pledged or deposited overseas that are subject to restrictions on the repatriation of funds.

2. Trading Financial Assets

Unit: RMB

Items	Closing balance	Opening balance
Financial Assets Measured at Fair Value through Profit or Loss	635,900,187.31	607,088,731.43
Of which:		
Debt Instrument Investments	90,441,090.81	105,020,961.43
Equity Instrument Investments	43,891,394.00	0.00
Finance Products	501,567,702.50	502,067,770.00
Of which:		
Total	635,900,187.31	607,088,731.43

Other Instructions:

3. Notes Receivable

(1) Notes Receivable Presented by Category

Unit: RMB

Items	Closing balance	Opening balance
Bank Acceptance Bills	64,057,470.77	0.00
Trade Acceptance Bills	552,739,135.01	508,238,462.51
Total	616,796,605.78	508,238,462.51

(2) Disclosure by Category based on Bad Debt Provision Method

Unit: RMB

Category	Closing balance					Opening balance					
	Book Balance		Reserve for Bad Debts			Book Balance		Reserve for Bad Debts			Book Value
	Amount	Proportion	Amount	Provision Proportion	Book Value	Amount	Proportion	Amount	Provision Proportion		
Notes Receivable with Reserve for Bad Debts by Single Item	36,654,788.56	5.74%	1,268,255.69	3.46%	35,386,532.87	139,293,343.16	26.64%	3,927,413.63	2.82%	135,365,929.53	
Of which:											
Trade Acceptance Bills	36,654,788.56	5.74%	1,268,255.69	3.46%	35,386,532.87	139,293,343.16	26.64%	3,927,413.63	2.82%	135,365,929.53	
Notes Receivable with Reserve for Bad Debts on a Combination Basis	602,247,848.38	94.26%	20,837,775.47	3.46%	581,410,072.91	383,613,717.05	73.36%	10,741,184.07	2.80%	372,872,532.98	
Of											



which:										
Trade Acceptance Bills	535,894,553.62	83.88%	18,541,951.48	3.46%	517,352,602.14	383,613,717.05	73.36%	10,741,184.07	2.80%	372,872,532.98
Bank Acceptance Bills	66,353,294.76	10.38%	2,295,823.99	3.46%	64,057,470.77	0.00	0.00%	0.00	0.00%	0.00
Total	638,902,636.94	100.00%	22,106,031.16	3.46%	616,796,605.78	522,907,060.21	100.00%	14,668,597.70	2.81%	508,238,462.51

Reserve for Bad Debts by Single Item:: 1,268,255.69

Unit: RMB

Name	Opening balance		Closing balance			
	Book Balance	Reserve for Bad Debts	Book Balance	Reserve for Bad Debts	Provision Proportion	Provision Reason
Client 1	126,794,273.99	3,550,239.68	36,051,410.56	1,247,378.81	3.46%	/
Client 2	9,061,618.11	253,725.32	0.00	0.00	0.00%	/
Client 3	3,337,451.06	93,448.63	0.00	0.00	0.00%	/
Client 4	100,000.00	30,000.00	0.00	0.00	0.00%	/
Client 5	0.00	0.00	603,378.00	20,876.88	3.46%	After the single impairment test, there was no obvious sign of impairment.
Total	139,293,343.16	3,927,413.63	36,654,788.56	1,268,255.69		

Reserve for Bad Debts on a Combination Basis:: 20,837,775.47

Unit: RMB



Name	Closing balance		
	Book Balance	Reserve for Bad Debts	Provision Proportion
Bank Acceptance Bills	66,353,294.76	2,295,823.99	3.46%
Trade Acceptance Bills	535,894,553.62	18,541,951.48	3.46%
Total	602,247,848.38	20,837,775.47	

Instructions on Determination of Combination Basis:

If Reserve for Bad Debts of Notes Receivable is provided in accordance with the general model of estimated credit loss,

Applicable Not Applicable

(3) Withdrawn, Recovered or Reversed Reserve for Bad Debts during the Current Period

Withdrawal of Reserve for Bad Debts during the Current Period:

Unit: RMB

Category	Opening balance	Change Amount during the Current Period				Closing balance
		Withdrawal	Recovery or Reversal	Write-off	Others	
Trade Acceptance Bills	14,668,597.70	5,141,609.47	0.00	0.00	0.00	19,810,207.17
Bank Acceptance Bills	0.00	2,295,823.99	0.00	0.00	0.00	2,295,823.99
Total	14,668,597.70	7,437,433.46	0.00	0.00	0.00	22,106,031.16

Specifically, significant recovered or reversed Reserve for Bad Debts during the Current Period:

Applicable Not Applicable

(4) Notes Receivable Pledged by the Company at the End of the Current Period

Unit: RMB

Items	Amount Pledged at the End of the Current Period
Trade Acceptance Bills	180,936,699.37
Total	180,936,699.37



(5) Notes Receivable Endorsed or Discounted by the Company but Not Due on the Balance Sheet at the End of the Current Period

Unit: RMB

Items	Amount Derecognized at the End of the Current Period	Amount Not Derecognized at the End of the Current Period
Bank Acceptance Bill		37,498,948.99
Trade Acceptance Bills		306,602,196.47
Total		344,101,145.46

4. Accounts Receivable

(1) Disclosure by Aging

Unit: RMB

Aging	Closing balance	Opening balance
Less than 1 year (included)	6,454,627,087.58	8,100,507,116.81
1-2 years	2,079,706,945.07	2,996,259,940.99
2-3 years	2,052,371,963.03	483,873,946.37
More than 3 years	711,532,091.94	460,678,778.67
3-4 years	377,812,546.43	191,618,980.05
4-5 years	115,131,654.57	138,338,034.13
More than 5 years	218,587,890.94	130,721,764.49
Total	11,298,238,087.62	12,041,319,782.84

(2) Disclosure by Category based on Bad Debt Provision Method

Unit: RMB

Category	Closing balance			Opening balance		
	Book Balance	Reserve for Bad Debts	Book Value	Book Balance	Reserve for Bad Debts	Book Value



	Amount	Proportion	Amount	Provision Proportion	Amount	Amount	Proportion	Amount	Provision Proportion	
Accounts Receivable with Reserve for Bad Debts by Single Item	2,448,946,610.53	21.68%	586,677,378.84	23.96%	1,862,269,231.69	2,444,550,542.89	20.30%	362,240,218.43	14.82%	2,082,310,324.46
Of which:										
Accounts Receivable with Reserve for Bad Debts on a Combination Basis	8,849,291,477.09	78.32%	1,143,524,746.17	12.92%	7,705,766,730.92	9,596,769,239.95	79.70%	800,512,797.11	8.34%	8,796,256,442.84
Of which:										
Accounts Receivable from Other Clients	8,849,291,477.09	78.32%	1,143,524,746.17	12.92%	7,705,766,730.92	9,596,769,239.95	79.70%	800,512,797.11	8.34%	8,796,256,442.84



Total	11,298,2	100.00%	1,730,20	15.31%	9,568,03	12,041,3	100.00%	1,162,75	9.66%	10,878,5
	38,087.6		2,125.01		5,962.61	19,782.8		3,015.54		66,767.3
	2					4				0

Reserve for Bad Debts by Single Item: 586,677,378.84

Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Provision Proportion	Provision Reason
Client 1	710,784,040.0 3	40,704,749.62	632,280,917.1 8	81,482,643.29	12.89%	After the single impairment test, there was no obvious sign of impairment.
Client 2	519,277,158.9 5	69,183,601.96	536,201,459.2 6	173,859,912.8 6	32.42%	The value of debt-repaid assets exceeds the receivable balance, and there is no obvious sign of impairment.
Client 3	404,812,082.0 5	42,871,788.61	341,975,340.0 8	83,110,688.20	24.30%	After the single impairment test, there was no obvious sign of impairment.



Client 4	328,630,806.15	98,589,241.84	363,243,999.74	108,973,200.03	30.00%	Due to the poor management of the client, the debt crisis occurs, and the debt probably cannot be recovered in full.
Client 5			135,169,468.37	11,311,132.92	8.37%	After the single impairment test, there was no obvious sign of impairment.
Client 6			107,215,896.36	11,838,099.93	11.04%	The value of debt-repaid assets exceeds the receivable balance, and there is no obvious sign of impairment.
Client 7			27,160,460.96	8,148,138.31	30.00%	Due to the poor management of the client, the debt crisis occurs, and the debt probably cannot be recovered in full.



Client 8	65,911,629.88	52,729,303.91	30,882,385.20	24,705,908.16	80.00%	Due to the poor management of the client, the debt crisis occurs, and the debt probably cannot be recovered in full.
Client 9			23,637,934.37	7,091,380.31	30.00%	Due to the poor management of the client, the debt crisis occurs, and the debt probably cannot be recovered in full.
Client 10	57,887,699.92	2,455,154.51	18,296,483.08	1,886,286.20	10.31%	The value of debt-repaid assets exceeds the receivable balance, and there is no obvious sign of impairment.
Client 11	51,155,460.18	5,573,414.28	33,578,555.66	6,879,458.29	20.49%	The value of debt-repaid assets exceeds the receivable balance, and there is no obvious sign of impairment.



Client 12	32,655,959.05	9,796,787.71	34,654,172.00	10,396,251.62	30.00%	Due to the poor management of the client, the debt crisis occurs, and the debt probably cannot be recovered in full.
Client 13	28,703,243.57	803,690.82	33,593,350.97	4,612,778.81	13.73%	After the single impairment test, there was no obvious sign of impairment.
Client 14	22,687,617.37	6,806,285.26	8,531,034.24	2,559,310.27	30.00%	Due to the poor management of the client, the debt crisis occurs, and the debt probably cannot be recovered in full.
Client 15	9,248,882.87	4,624,441.44	9,937,482.17	7,949,985.73	80.00%	Due to the poor management of the client, the debt crisis occurs, and the debt probably cannot be recovered in full.



Other Clients	212,795,962.8 7	28,101,758.47	112,587,670.8 9	41,872,203.91	37.19%	Due to the poor management of the client, the debt crisis occurs, and the debt probably cannot be recovered in full.
Total	2,444,550,542. 89	362,240,218.4 3	2,448,946,610. 53	586,677,378.8 4		

Reserve for Bad Debts on a Combination Basis: 1,143,524,746.17

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision proportion
Less than 1 year	5,820,622,239.39	201,393,529.73	3.46%
1-2 years	1,546,928,498.08	243,177,159.84	15.72%
2-3 years	971,141,145.23	311,930,536.00	32.12%
3-4 years	197,515,772.29	99,824,471.33	50.54%
4-5 years	105,738,451.34	79,853,678.51	75.52%
More than 5 years	207,345,370.76	207,345,370.76	100.00%
Total	8,849,291,477.09	1,143,524,746.17	

Instructions on Determination of Combination Basis:

If Reserve for Bad Debts of Accounts Receivable is provided in accordance with the general model of estimated credit loss:

Applicable Not Applicable

(3) Reserve for Bad Debts Withdrawn, Recovered or Reversed during the Current Period

Reserve for Bad Debts during the Current Period:

Unit: RMB



Category	Opening balance	Change Amount during the Current Period				Closing balance
		Withdrawal	Recovery or Reversal	Write-off	Others	
Accounts Receivable from Non-affiliated Clients	1,162,753,015.54	912,702,311.56	340,403,486.00	3,268,556.22	-1,581,159.87	1,730,202,125.01
Total	1,162,753,015.54	912,702,311.56	340,403,486.00	3,268,556.22	-1,581,159.87	1,730,202,125.01

Specifically, significant recovered or reversed Reserve for Bad Debts during the Current Period:

Unit: RMB

Company Name	Amount Recovered or Reversed	Recovery Reason	Recovery Way	Basis and rationality of determining the proportion of the original bad debt provision

(4) Accounts Receivable Actually Written-off during the Current Period

Unit: RMB

Items	Write-off Amount
Accounts Receivable Actually Written-off	3,268,556.22

Specifically, significant accounts receivable written-off:

Unit: RMB

Company Name	Nature of Accounts Receivable	Write-off Amount	Write-off Reason	Write-off Procedures Performed	Whether the Funds are Generated from Connected Transactions

Instruction on write-off of Accounts Receivable:

(5) Accounts Receivable and Contract Assets of Top Five Closing Balances by the Debtor

Unit: RMB



Company Name	Closing Balance of Accounts Receivable	Closing Balance of Contract Assets	Closing Balance of Accounts Receivable and Contract Assets	Proportion to the Total Closing Balance of Accounts Receivable and Contract Assets	Closing Balance of Bad Debt Provision of Accounts Receivable and Impairment Provision of Contract Assets
Client 1	632,280,917.18	152,574,837.99	784,855,755.17	5.63%	100,007,472.60
Client 2	536,201,459.26	144,667.69	536,346,126.95	3.85%	173,864,918.37
Client 3	505,991,294.73	20,607,951.55	526,599,246.28	3.78%	53,273,051.22
Client 4	363,243,999.74	79,381,192.49	442,625,192.23	3.17%	132,787,558.09
Client 5	313,070,517.10	251,240,757.16	564,311,274.26	4.05%	45,602,577.83
Total	2,350,788,188.01	503,949,406.88	2,854,737,594.89	20.48%	505,535,578.11

5. Contract Assets

(1) Contract Assets

Unit: RMB

Item	Closing Balance			Opening Balance		
	Book Balance	Bad Debt Provision	Book Value	Book Balance	Bad Debt Provision	Book Value
Completed but Unsettled Assets	2,547,184,581.24	283,327,914.58	2,263,856,666.66	3,155,096,680.03	187,190,248.17	2,967,906,431.86
Quality Guarantee Deposit	100,780,811.96	33,812,434.87	66,968,377.09	112,209,980.50	40,754,576.56	71,455,403.94
Total	2,647,965,393.20	317,140,349.45	2,330,825,043.75	3,267,306,660.53	227,944,824.73	3,039,361,835.80

(2) Amount and Reason for Significant Changes in Book Value during the Current Period

Unit: RMB



Item	Change Amount	Reason for Change
------	---------------	-------------------

(3) Bad Debt Provision Accrued, Recovered or Reversed during the Current Period

Unit: RMB

Item	Accrued in the Current Period	Recovered or Reversed in the Current Period	Write-off in the Current Period	Reason
Completed but Unsettled Assets	96,464,481.01		326,814.60	
Quality Guarantee Deposit		6,942,141.69		
Total	96,464,481.01	6,942,141.69	326,814.60	—

Significant amount of bad debt provision recovered or reversed in the Current Period:

Unit: RMB

Name of the Unit	Amount Recovered or Reversed	Reason for Reversal	Recovery Method	Basis for Determining the Proportion of the Original Bad Debt Provision and Its Rationality

Other instructions:

6. Receivable Financing

(1) Receivable Financing by Category

Unit: RMB

Items	Closing balance	Opening balance
Notes Receivable	1,784,663,766.70	1,591,548,416.80
Receivables	0.00	0.00
Total	1,784,663,766.70	1,591,548,416.80



(2) Receivable Financing Endorsed or Discounted by the Company at the End of the Current Period but not Due on the Balance Sheet Date

Unit: RMB

Items	Closing Amount Derecognized	Closing Amount Not Derecognized
Banker's Acceptance	3,533,273,050.17	
Total	3,533,273,050.17	

(3) Receivable Financing Actually Written off in the Current Period

Unit: RMB

Item	Write-off Amount

Significant receivable financing written off

Unit: RMB

Unit Name	Fund Nature	Write-off Amount	Write-off Cause	Write-off Procedures Performed	Whether Generated by Related Party Transactions

Write-off instructions:

(4) Other Instructions

The Company and its subsidiaries discount and endorse part of the bank acceptance bills according to their daily capital management needs. The Company and its subsidiaries classify such part of the bank acceptance bills as financial assets measured at fair value and whose changes are included in other comprehensive income.

The Company has no bank acceptance bill with single provision for impairment. As at the end of the reporting period, the Company considered that there was no significant credit risk in the bank acceptance bills held by it, and that there would be no significant loss due to bank default.

7. Other Receivables

Unit: RMB

Items	Closing balance	Opening balance
Dividends Receivable		6,384,843.30



Other Receivables	4,075,587,334.21	2,137,660,680.84
Total	4,075,587,334.21	2,144,045,524.14

(1) Dividends Receivable**1) Categories of Dividends Receivable**

Unit: RMB

Item (or Invested Unit)	Closing balance	Opening balance
Finance Products		6,384,843.30
Total		6,384,843.30

(2) Other Receivables**1) Other Receivables Presented by Category**

Unit: RMB

Nature of Funds	Closing Book Balance	Opening Book Balance
Security Deposit, Margin	1,989,597,005.04	1,855,762,795.96
Intercourse Funds	2,271,795,231.42	300,522,666.91
Project Borrowings	124,839,057.44	128,226,108.39
Petty Cash	46,493,496.60	51,688,082.69
Others	14,254,267.21	12,685,347.09
Total	4,446,979,057.71	2,348,885,001.04

1) Disclosure by Aging

Unit: RMB

Aging	Closing Book Balance	Opening Book Balance
Less than 1 year (included)	2,365,298,463.04	1,914,424,967.62
1-2 years	1,718,173,692.29	280,496,199.31
2-3 years	239,201,684.29	25,214,420.45
Over 3 years	124,305,218.09	128,749,413.66



3-4 years	6,967,837.77	105,946,959.08
4-5 years	103,652,789.77	6,752,354.01
Over 5 years	13,684,590.55	16,050,100.57
Total	4,446,979,057.71	2,348,885,001.04

3) Disclosure by Category based on Bad Debt Provision Method

Applicable Not applicable

Unit: RMB

Category	Closing Balance					Opening Balance				
	Book Balance		Bad Debt Provision		Book Value	Book Balance		Bad Debt Provision		Book Value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Of which:										
Bad Debt Provision by Combination	4,446,979,057.71	100.00%	371,391,723.50	8.35%	4,075,587,334.21	2,348,885,001.04	100.00%	211,224,320.20	8.99%	2,137,660,680.84
Of which:										
Security Deposit	1,989,597,005.04	44.74%	215,618,134.64	10.84%	1,773,978,870.40	1,855,762,795.96	79.01%	163,150,031.62	8.79%	1,692,612,764.34
Other Combinations	2,457,382,052.67	55.26%	155,773,588.86	6.34%	2,301,608,463.81	493,122,205.08	20.99%	48,074,288.58	9.75%	445,047,916.50
Total	4,446,979,057.71	100.00%	371,391,723.50	8.35%	4,075,587,334.21	2,348,885,001.04	100.00%	211,224,320.20	8.99%	2,137,660,680.84



	9,057.71		723.50		7,334.21	5,001.04		320.20		0,680.84
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Bad debt provision by combination: 371391723.5

Unit: RMB

Name	Closing Balance		
	Book Balance	Bad Debt Provision	Provision Proportion
Provision for bad debts	4,446,979,057.71	371,391,723.50	8.35%
Total	4,446,979,057.71	371,391,723.50	

Instructions on the basis for determining the combination:

Bad debt provision is accrued according to the general model of expected credit losses:

Unit: RMB

Bad Debt Provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over the next 12 months	Expected credit losses over lifetime (no credit impairment)	Lifetime expected credit losses (incurred credit impairments)	
Balance at January 1, 2023	93,108,067.91	116,085,719.71	2,030,532.58	211,224,320.20
Balance on January 1, 2023 in the current period				
-Transfer to Phase II	-1,750,215.23	1,750,215.23		
Accrued in the current period	156,285,644.79	156,285,644.79	112,657.05	212,245,969.26
Reversed in the current period	40,117,844.26	8,997,000.00		49,114,844.26
Written off in the	2,575,724.76			2,575,724.76



current period				
Other changes	-387,996.94			-387,996.94
Balance at December 31, 2023	204,561,931.51	164,686,602.36	2,143,189.63	371,391,723.50

Division basis of each phase and bad debt provision accrued

Changes in the book balance with significant changes in the provision for losses in the current period

Applicable Not applicable

4) Bad Debt Provision Accrued, Recovered or Reversed in the Current Period

Bad debt provision accrued in the current period:

Unit: RMB

Category	Opening Balance	Change Amount in Current Period				Closing Balance
		Provision Accrued	Provision Recovered or Reversed	Provision Written off	Other	
Bad Debt Provision	211,224,320.20	212,245,969.26	49,114,844.26	2,575,724.76	-387,996.94	371,391,723.50
Total	211,224,320.20	212,245,969.26	49,114,844.26	2,575,724.76	-387,996.94	371,391,723.50

Of which significant bad debt provision reversed or recovered in the current period:

Unit: RMB

Name of the Unit	Amount Recovered or Reversed	Reason for Reversal	Recovery Method	Basis for Determining the Proportion of the Original Bad Debt Provision and Its Rationality

5) Other receivables actually written off in the current period

Unit: RMB



Item	Write-off Amount
Other Receivables Actually Written off	2,575,724.76

Of which other important receivables:

Unit: RMB

Company Name	Nature of Other Receivables	Write-off Amount	Write-off Cause	Write-off Procedures Performed	Whether Generated by Related Party Transactions

Description on the write-off of other receivables:

6) Closing Balance of Top Five Other Receivables by the Debtor

Unit: RMB

Company Name	Nature of Funds	Closing balance	Aging	Proportion in Total Closing Balance of Other Receivables	Closing Balance of Reserve for Bad Debts
Client 1	Intercourse Funds	1,650,000,000.00	Within 1 year	37.10%	82,500,000.00
Client 2	Security Deposit, Margin, Intercourse Funds	907,977,348.27	1-2 years	20.42%	30,249,657.41
Client 3	Security Deposit, Margin	311,875,000.00	1-2 years	7.01%	9,356,250.00
Client 4	Intercourse Funds	150,100,000.00	Within 1 year	3.38%	7,505,000.00
Client 5	Security Deposit, Margin	150,000,000.00	2-3 years	3.37%	120,000,000.00
Total		3,169,952,348.27		71.28%	249,610,907.41

8. Prepayments

(1) Prepayments by aging

Unit: RMB



Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Less than 1 year	1,021,317,625.11	94.77%	799,684,860.11	94.64%
1-2 years	46,704,146.78	4.33%	37,385,742.05	4.42%
2-3 years	6,808,814.34	0.63%	5,136,088.17	0.61%
Over 3 years	2,866,983.85	0.27%	2,760,077.62	0.33%
Total	1,077,697,570.08		844,966,767.95	

Reason why significant prepayment with an account age of more than 1 year is not settled in time:
At the end of the current period, the Company has no significant prepayments with an account age of more than 1 year.

(2) Top five prepayments by prepayer at the end of the current period

The total amount of top five prepayments by prepayer at the end of the current period is RMB 497,220,416.20, accounting for 46.14% of the total balance of prepayments at the end of the current period.

Other instructions:

9. Stock

Whether the Company needs to abide by the disclosure requirements of the real estate industry:

No

(1) Stock by Category

Unit: RMB

Items	Closing balance			Opening balance		
	Book Balance	Stock Falling Price Reserves or Contract Performance Costs Impairment Provisions	Book Value	Book Balance	Stock Falling Price Reserves or Contract Performance Costs Impairment Provisions	Book Value



Raw Materials	1,385,926,422.03		1,385,926,422.03	688,075,608.61		688,075,608.61
Goods in Stock	1,044,732,642.36	845,797.21	1,043,886,845.15	790,381,344.35	3,590,094.98	786,791,249.37
Low-value Consumables	80,829,232.81		80,829,232.81	99,911,431.10		99,911,431.10
Total	2,511,488,297.20	845,797.21	2,510,642,499.99	1,578,368,384.06	3,590,094.98	1,574,778,289.08

(2) Stock Falling Price Reserves and Contract Performance Costs Impairment Provisions

Unit: RMB

Items	Opening balance	Increased Amount during the Current Period		Decreased Amount during the Current Period		Closing balance
		Withdrawal	Others	Recovery or Reversal	Others	
Inventory products	3,590,094.98	224,418.39		2,968,716.16		845,797.21
Total	3,590,094.98	224,418.39		2,968,716.16		845,797.21

Inventory falling price reserve accrued by combination

Unit: RMB

Combination Name	Closing			Opening		
	Closing Balance	Inventory Falling Price Reserve	Accrual Proportion of Inventory Falling Price Reserve	Opening Balance	Inventory Falling Price Reserve	Accrual Proportion of Inventory Falling Price Reserve
Goods in Stock	1,044,732,642.36	845,797.21	0.08%	790,381,344.35	3,590,094.98	0.45%
Total	1,044,732,642.36	845,797.21	0.08%	790,381,344.35	3,590,094.98	0.45%

Accrual standard for inventory falling price reserve by combination

**(3) Other Debt Investments Due within One Year**□Applicable Not applicable**10. Other Current Assets**

Unit: RMB

Items	Closing balance	Opening balance
Input Tax to be Credited	745,962,144.96	526,025,543.30
Withholding Income Tax	102,124,195.67	88,877,588.66
Other Withholding Taxes	7,055,539.23	1,654,715.70
Other	4,372,364.91	1,920,746.96
Total	859,514,244.77	618,478,594.62

Other Instructions:

11. Debt Investment**(1) Debt Investment**

Unit: RMB

Item	Closing Balance			Opening Balance		
	Book Balance	Depreciation Reserves	Book Value	Book Balance	Depreciation Reserves	Book Value
Debt Investment	0.00		0.00	1,650,000,000.00		1,650,000,000.00
Total	0.00			1,650,000,000.00		1,650,000,000.00

Changes in provision for impairment of debt investment in the current period

Unit: RMB

Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance

(2) Provision for impairment

Unit: RMB



Bed-debt Provision	Phase I	Phase II	Phase III	Total
	Expected credit loss over the next 12 months	Expected credit loss throughout the duration (no credit impairment)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance on January 1, 2023 in the current period				

Division basis of each phase and accrual proportion of bad debt provision

12. Other Equity Instrument Investments

Unit: RMB

Item Name	Closing balance	Opening balance	Gains included in other comprehensive income in the current period	Losses included in other comprehensive income in the current period	Accumulated gains included in other comprehensive income at the end of the current period	Accumulated losses included in other comprehensive income at the end of the current period	Dividend income recognized in the current period	Reason for being Measured at Fair Value through Other Comprehensive Income
Beijing Zhongguancun Bank Co., Ltd.	228,233,138.55	262,216,752.75	0.00	33,983,614.20	36,233,138.55			
Lodi Environmental Protection Technology Co., Ltd.	3,347,438.80	3,229,628.35	117,810.45			4,345,358.02		



Changchun Jiuqing Real Estate Co., Ltd.		251,439.34		251,439.34		2,000,000.00		
Jiangsu Kingwills New Materials Technology Co., Ltd.	7,115,871.10	19,483,946.58		10,368,075.48		9,852,022.06		
Beijing Institute of Architectural Design	12,032,642.35			7,967,357.65		7,967,357.65	149,356.03	
Jiangsu Guangyu Zhaoneng New Energy Technology Co., Ltd.	5,151,969.48		151,969.48		151,969.48			
Total	255,881,060.28	285,181,767.02	269,779.93	52,570,486.67	36,385,108.03	24,164,737.73	149,356.03	

There is derecognition in the current period

Unit: RMB

Item name	Accumulated gains transferred to retained earnings	Accumulated losses transferred to retained earnings	Reasons for derecognition

Itemized disclosure of investment in non-trading equity instruments in the current period

Unit: RMB

Item name	Dividend income recognized	Accumulated gains	Accumulated losses	Amount transferred from other comprehensive income to retained earnings	Reasons for being designated as measured at fair value and whose changes are included in other comprehensive income	Reasons for transfer of other comprehensive income to retained earnings

Other instructions:

13. Long-term Equity Investments

Unit: RMB

Invested Enterprise	Opening Balance (Book Value)	Opening Balance of Depreciation Reserves	Change Amount during the Current Period								Closing Balance (Book Value)	Closing Balance of Impairment Reserves	
			Additional Investment	Reduced Investment	Investment Gain or Loss under the Equity Method	Adjustment of Other Comprehensive Income	Change Amount of Other Equities	Announcement on Distribution of Cash Dividends or Profits	Withdrawal of Impairment Reserves	Others			
I. Joint Ventures													
II. Associated Enterprises													
Xinjiang Architectural Design Institute Co.,			31,000,000.00		1,034,499.01				-990,151.00			31,044,348.01	



Ltd.												
Foshan Jianfa Oriental Yuhong Building Material Technology Co., Ltd.	14,841,586.19			924,644.13							15,766,230.32	
Shanghai Yueda Construction Engineering Co., Ltd.	9,186,655.91	2,333,500.00		290,192.40							11,810,348.31	
Shanghai Wealter New Material Co., Ltd						12,091.75				4,451,346.20	4,439,254.45	



Meishan Oriental Yuhong Construction Engineering Co., Ltd.	501,724.57	1,960,000.00	1,052,258.69							3,513,983.26	
Ya'an Xinyuhong Waterproof Technology Co., Ltd.		1,960,000.00	725,324.23							2,685,324.23	
Hainan Fakong Yuhong Building Materials Technology Co., Ltd.	900,876.70		1,070,416.55							1,971,293.25	



JA Yuhong New Energy Power Co., Ltd.	1,505, 637.79				- 1,267. 77						1,504, 370.02	
Huizhou Industrial Investment Yuhong Construction Technology Co., Ltd.			1,470, 000.00		114,07 3.42						1,584, 073.42	
Dalian Detail Yuhong Building Materials Technology Co., Ltd.	925,15 4.17				244,21 3.86						1,169, 368.03	



Xiang xi Yuhon g Crafts men 1,328, Inform 488.04 ation Techn ology Co., Ltd.					813,11 7.98					- 1,019, 239.24		1,122, 366.78
Jiache ng Yuhon g Buildi ng Materi als (Guan gdong) Co., Ltd.			980,00 0.00		18,309 .35							998,30 9.35
Yichan g Cheng fa Orient al Yuhon g Buildi ng Materi als Techn ology Co.,			980,00 0.00		531.34							980,53 1.34



Ltd.												
Jiangsu Oriental Yuhong Renovation Engineering Co., Ltd.	2,748,875.98			1,800,000.00	-264,263.41						684,612.57	
Ziyang Airport Yuhong Waterproofing Engineering Co., Ltd.			490,000.00		83,941.23						573,941.23	



Huizhou Bay Yuhong New Material Technology Co., Ltd.			680,000.00		-98,961.07						581,038.93	
Leizhou Development Oriental Yuhong Building Materials Technology Co., Ltd.			980,000.00	500,000.00	2,213.75						482,213.75	
Susong Oriental Yuhong Building Materials Technology Co.,			350,000.00		44,396.76						394,396.76	



Ltd.												
Guang zhou Lvjin Street Green Buildi ng Materi al Co., Ltd.	85,345 .26				- 58,097 .35						27,247 .91	
Zhaoqi ng Hongh ui Techn ology Co., Ltd.	383,80 7.67			525,00 0.00								



Sichuan Oriental Yuhong Building Materials Co., Ltd.	167,574,056.19	194,639,800.00	-	2,893,981.91							
Subtotal	199,982,208.47	237,823,300.00	2,825,000.00	3,101,561.19	-	12,091.75	-	2,009,390.24			81,333,251.92
Total	199,982,208.47	237,823,300.00	2,825,000.00	3,101,561.19	-	12,091.75	-	2,009,390.24			81,333,251.92

The recoverable amount is determined as the net amount of the fair value less the disposal expenses.

Applicable Not applicable

The recoverable amount is determined based on the present value of the estimated future cash flow.

Applicable Not applicable

Reason for the apparent inconsistency between the aforesaid information and the information used in the impairment test of previous years or external information

Reason for the apparent inconsistency between the information adopted in the impairment test of the previous year and the actual situation of the current year

Other Instructions:

14. Other Non-current Financial Assets

Unit: RMB

Items	Closing balance	Opening balance
Equity Instrument Investments	262,572,338.19	62,588,195.83



Total	262,572,338.19	62,588,195.83
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Other Instructions:

15. Fixed Assets

Unit: RMB

Items	Closing balance	Opening balance
Fixed Assets	10,452,504,002.75	8,563,291,329.36
Disposal of Fixed Assets		
Total	10,452,504,002.75	8,563,291,329.36

(1) Fixed Assets

Unit: RMB

Items	Buildings and Structures	Machinery	Transportation Devices	Others	Total
I. Original Book Value:					
1. Opening Balance	6,233,522,933.23	4,382,142,900.78	80,230,547.89	388,188,139.68	11,084,084,521.58
2. Amount Increased during the Current Period	1,739,119,363.84	1,078,843,674.26	10,634,365.43	149,737,729.95	2,978,335,133.48
(1) Procurement	64,624,688.00	157,842,616.24	9,476,954.54	92,503,502.65	324,447,761.43
(2) Transfer from Construction in Progress	1,469,524,394.72	840,464,002.97	0.00	49,228,655.16	2,359,217,052.85
(3) Increase from Enterprise	146,462,726.33	80,537,055.05	1,157,410.89	8,005,572.14	236,162,764.41



Combination					
(4) Other Increase	58,507,554.79	0.00	0.00	0.00	58,507,554.79
3. Amount Decreased during the Current Period	189,926,832.65	48,519,078.55	9,600,749.82	32,777,165.14	280,823,826.16
(1) Disposal or Scrap	20,051,102.52	32,937,686.28	9,021,557.10	30,181,655.03	92,192,000.93
(2) Other Amount Decreased	169,875,730.13	15,581,392.27	579,192.72	2,595,510.11	188,631,825.23
4. Closing Balance	7,782,715,464.42	5,412,467,496.49	81,264,163.50	505,148,704.49	13,781,595,828.90
II. Accumulative Depreciation					
1. Opening Amount	855,286,266.06	1,431,763,630.84	44,500,944.19	187,817,172.11	2,519,368,013.20
2. Amount Increased during the Current Period	259,027,175.74	483,895,552.35	11,149,213.02	114,018,882.80	868,090,823.91
(1) Withdrawal	234,388,177.37	456,404,783.60	10,360,428.32	108,835,592.19	809,988,981.48
(2) Business Consolidation Increase	24,476,750.59	27,490,768.75	788,784.70	5,183,290.61	57,939,594.65
(3) Other Amount Increased	162,247.78	0.00	0.00	0.00	162,247.78



3. Amount Decreased during the Current Period	1,667,298.07	39,368,402.87	5,956,732.58	12,799,756.46	59,792,189.98
(1) Disposal or Scrap	1,667,298.07	27,626,619.12	5,563,082.49	11,348,544.36	46,205,544.04
(2) Business Consolidation Decrease	0.00	11,741,783.75	393,650.09	1,451,212.10	13,586,645.94
4. Closing Balance	1,112,646,143.73	1,876,290,780.32	49,693,424.63	289,036,298.45	3,327,666,647.13
III. Impairment Reserves					
1. Opening Balance	996,411.98	428,767.04			1,425,179.02
2. Amount Increased during the Current Period					
(1) Withdrawal					
3. Amount Decreased during the Current Period					
Disposal or Scrap					
4. Closing Balance	996,411.98	428,767.04			1,425,179.02



IV. Book Value					
1. Book Value	6,669,072,908.71	3,535,747,949.13	31,570,738.87	216,112,406.04	10,452,504,002.75
2. Opening Book Value	5,377,240,255.19	2,949,950,502.90	35,729,603.70	200,370,967.57	8,563,291,329.36

(2) Fixed assets for which the certificate of title has not been obtained

Unit: RMB

Item	Book value	Reasons for having not completed the title certificate
Asphalt Coating Workshop of Taiyuan Oriental Yuhong Building Materials Co., Ltd.	7,810,289.00	To be handed after it is fully completed
Coil Workshop of Taiyuan Oriental Yuhong Building Materials Co., Ltd.	40,882,708.62	To be handed after it is fully completed
Beijing Oriental Yuhong Waterproof Technology Co., Ltd.	732,506,795.30	In progress
Guangdong Oriental Yuhong Building Materials Co., Ltd.	273,543,868.26	To be handed after it is fully completed
Baoding Oriental Yuhong Building Materials Co., Ltd.	495,447.96	To be handed after it is fully completed
Jilin Oriental Yuhong Building Materials Co., Ltd.	21,354,334.04	To be handed after it is fully completed
Suzhou Oriental Yuhong Building Materials Co., Ltd.	58,096,493.10	To be handed after it is fully completed
Hunan Caparol Cloud Building Materials Technology Co., Ltd.	43,530,269.87	To be handed after it is fully completed
Guangzhou Fuda Thermal Insulation Materials Co., Ltd.	362,046.52	To be handed after it is fully completed
Lushan Huasha Company	17,816,344.82	In progress



Jinan Oriental Yuhong Building Materials Co., Ltd.	185,561,459.27	To be handed after it is fully completed
Nantong Golden Wrapping Film Material Co., Ltd.	59,682,662.23	To be handed after it is fully completed
Yangpu Oriental Yuhong Building Materials Co., Ltd.	1,220,591.25	To be handed after it is fully completed
Xianyang Oriental Yuhong Building Materials Co., Ltd.	26,182,118.39	To be handed after it is fully completed
Jinmen Oriental Yuhong Building Materials Co., Ltd.	889,857.98	To be handed after it is fully completed
Hongshi (Jiangsu) New Material Technology Co., Ltd.	174,402,146.09	To be handed after it is fully completed
Chongqing Oriental Yuhong Building Materials Co., Ltd.	780,066.40	To be handed after it is fully completed
Binzhou Oriental Yuhong Building Materials Co., Ltd.	280,548.94	To be handed after it is fully completed
Nanning Oriental Yuhong Waterproof Material Co., Ltd.	20,524,019.26	In progress

Other instructions:

(3) Impairment test of fixed assets

Applicable Not applicable

16. Construction in Progress

Unit: RMB

Item	Closing balance	Opening Balance
Construction in Progress	1,369,715,204.57	2,049,330,481.21
Total	1,369,715,204.57	2,049,330,481.21

(1) Construction in Progress

(2) Unit: RMB

Item	Closing balance	Opening Balance
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	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
Equipment to be Installed	303,221,881.4 9		303,221,881.4 9	209,903,874.3 2		209,903,874.3 2
Huadu Production Base Project of Guangdong Oriental Yuhong Building Material Co., Ltd	273,543,868.2 6		273,543,868.2 6	173,277,310.9 1		173,277,310.9 1
VAE Lotion Project Phase I	174,496,508.5 6		174,496,508.5 6	197,095,239.7 6		197,095,239.7 6
Production Base Project of Jinan Oriental Yuhong Building Material Co., Ltd. (phase II)	130,035,400.4 4		130,035,400.4 4	66,179,828.33		66,179,828.33
Annual Output of 135,000 tons of Functional Film Project	59,682,662.23		59,682,662.23	149,609,773.2 5		149,609,773.2 5



Production Base Project of Zhangjiagang Oriental Yuhong Building Material Co., Ltd.	58,096,493.10		58,096,493.10	83,845,711.15		83,845,711.15
Production Base Project of Jinan Oriental Yuhong Building Material Co., Ltd. (phase I)	55,526,058.83		55,526,058.83	65,884,836.37		65,884,836.37
Production Base Construction Project of Yangzhou Oriental Yuhong New Material Co., Ltd.	50,545,815.47		50,545,815.47			
Oriental Yuhong Wuhan Green Building Material Production Base	48,738,599.08		48,738,599.08			



Hunan Oriental Yuhong Pipe Industry Co., Ltd. Production Base - Civil Construction	43,530,269.87		43,530,269.87			
Nanchang Production Base Phase II Construction Project	35,240,684.50		35,240,684.50	20,028,771.84		20,028,771.84
Digital Marketing Platform Consulting and Implementation Project	24,795,518.64		24,795,518.64			
Production Base Project of Jilin Oriental Yuhong Building Material Co., Ltd.	21,354,334.04		21,354,334.04	31,876,431.03		31,876,431.03
Nanchang Production Base Phase I Construction Project	19,137,818.65		19,137,818.65	43,412,832.94		43,412,832.94
Mortar Workshop	17,085,897.38		17,085,897.38			



High-performance Waterproof Material Project with Annual Output of 35,000 Tons of Xuzhou Oriental Yuhong	11,721,970.74		11,721,970.74			
Harbin Oriental Yuhong Building Materials Co., Ltd. (Phase I)	7,278,077.94		7,278,077.94			
Tile Roofing (Baoding) Company - Cement Tile Workshop	6,924,107.01		6,924,107.01			
Suqian Factory Reconstruction and Expansion Project	6,373,199.90		6,373,199.90	3,459,650.52		3,459,650.52
Guangzhou Huadu International Green Building Material Center Project	5,640,194.44		5,640,194.44	115,223,173.50		115,223,173.50



Production Base of Hunan Oriental Yuhong Pipe Industry Co., Ltd.	4,495,668.50		4,495,668.50			
Phase II Project of Tangshan Oriental Yuhong Waterproof Technology Co., Ltd. Plant 2	3,524,543.14		3,524,543.14	3,122,531.14		3,122,531.14
DAW Hangzhou Production Base Project	2,331,211.98		2,331,211.98	153,694.90		153,694.90
Annual Output of 100000 tons of Dry Powder Mortar Project	2,250,756.29		2,250,756.29	1,608,203.16		1,608,203.16
Oriental Yuhong Hainan Yangpu Green New Material Comprehensive Industrial Park Project	1,220,591.25		1,220,591.25	82,467,495.99		82,467,495.99



Taiyuan Oriental Yuhong Building Material Co., Ltd. Production Base Project	1,175,720.38		1,175,720.38	117,013,891.44		117,013,891.44
Jingmen Plant Production and R&D Base Construction Project Phase I	889,857.98		889,857.98	1,551,357.43		1,551,357.43
Baoding Oriental Yuhong Building Material Co., Ltd. Production Base Project	495,447.96		495,447.96	12,069,996.42		12,069,996.42
Huadu Fuda New Factory Building Project	362,046.52		362,046.52	6,571,815.44		6,571,815.44
Laixi Factory Coils Workshop II				19,654,665.55		19,654,665.55
Production Base Project of Chongqing Oriental Yuhong Building Material Co., Ltd				102,318,768.77		102,318,768.77



Production research and development base project of Nanning Oriental Yuhong Waterproof Materials Co., Ltd.				87,622.36		87,622.36
Building D Project under Headquarters Base Construction Project				49,658,894.72		49,658,894.72
Annual Output of 1 Million Tons of Special Mortar and 40,000 tons of Water-Based Waterproof Materials				28,072,165.73		28,072,165.73
Nonwoven Project with a Capacity of 150,000 tons				465,181,944.24		465,181,944.24
Total	1,369,715,204.57		1,369,715,204.57	2,049,330,481.21		2,049,330,481.21

(3)

(2) Changes in Major Construction in Progress during the Current Period

Unit: RMB



Item Names	Budget	Opening balance	Amount Increased during the Current Period	Amount Transferred into Fixed Assets during the Current Period	Other Amounts Decreased during the Current Period	Closing balance	Proportion of Cumulative Project Income in the Budget	Project Progress	Accumulative Amount of Capitalized Interest	Of which: Capitalized Interest Amount during the Current Period	Interest Capitalization Rate during the Current Period	Fund Source
Huadu Production Base Project of Guangdong Oriental Yuhong Building Material Co., Ltd	1,365,459.50	173,277.31	113,009.73	12,743,182.22								Other
VAE Lotion Project Phase I	550,000.00	197,095.23	151,752.43	174,351,169.86					94,362.47	94,362.47	3.24%	Other



Production Base Project of Jinan Oriental Yuhong Building Material Co., Ltd. (phase II)	275,557.145	66,179,828.33	102,016,608.57	38,161,036.46								Other
Annual Output of 135,000 tons of Functional Film Project	1,136,710.60	149,609,773.25	220,074,074.87	310,001,185.89								Other



Production Base Project of Zhangjiagang Oriental Yuhong Building Material Co., Ltd.	433,867,117.54	83,845,711.15	60,531,473.29	86,280,691.34									Other
Production Base Project of Jinan Oriental Yuhong Building Material Co., Ltd. (phase I)	154,210,000.	65,884,836.37	18,221,170.72	28,579,948.26									Other



Production Base Construction Project of Yangzhou Oriental Yuhong New Material Co., Ltd.	204,668,782.00		50,545,815.47									Other
Total	4,120,473,145.32	735,892,699.77	716,151,321.15	650,117,214.03				94,362.47	94,362.47	324.00%		

(3) Provision for impairment of construction in progress in the current period

Unit: RMB

Item	Opening Balance	Increased Amount in Current Period	Decreased Amount in the Current Period	Closing Balance	Accrual Reason

Other instructions:

(4) Impairment test of construction in progressApplicable Not applicable**(5) Engineering materials**

Unit: RMB

Item	Closing Balance			Opening Balance		
	Book Balance	Provision for Impairment	Book Value	Book Balance	Provision for Impairment	Book Value

Other instructions:

**17. Right-of-use assets****(1) Right-of-use assets**

Unit: RMB

Item	Houses and buildings	Total
I.Original book value:		
1. Opening balance	221,041,083.81	221,041,083.81
2. Increase in the current period	65,160,922.86	65,160,922.86
(1) Rent	65,160,922.86	65,160,922.86
(2) Adjustment of Lease Liabilities		
3. Decrease in the current period	24,367,229.70	24,367,229.70
(1) Sublease as Financial Lease		
(2) Transfer or Hold for Sale		
(3) Other Amount Decreased	24,367,229.70	24,367,229.70
4. Closing balance	261,834,776.97	261,834,776.97
II. Accumulated depreciation		
1. Opening balance	51,838,255.38	51,838,255.38
2. Increase in the current period	26,633,180.89	26,633,180.89
(1) Provision	26,633,180.89	26,633,180.89
(2) Other Amount Increased		
3. Decrease in the current period	16,680,845.77	16,680,845.77
(1) Disposal		
(2) Sublease as Financial Lease		
(3) Transferred or Held for Sale		
(4) Other Amount Decreased	16,680,845.77	16,680,845.77
4. Closing balance		



III. Provision for impairment		
1. Opening balance		
2. Increase in the current period		
(1) Provision		
3. Decrease in the current period		
(1) Disposal		
4. Closing balance		
IV. Book value		
1. Book value at the end of the period	200,044,186.47	200,044,186.47
2. Book value at the beginning of the period	169,202,828.43	169,202,828.43

(2) Impairment test of right-of-use assets

Applicable Not applicable

Other instructions:

18. Intangible Assets

(1) Intangible Assets

Unit: RMB

Items	Land Use Right	Patent Right	Non-Patents	Software	Right to Use a Trademark	Total
I. Original Book Value						
1. Opening	2,260,698,103.84	4,490,612.45	3,304,612.71	128,110,831.28	4,285,168.85	2,400,889,329.13



Balance						
2. Amount Increased during the Current Period	302,912,265.5 4	8,273,982.30	515,638.41	993,122.56		312,695,008.8 1
(1) Procurement	237,948,331.3 9	1,673,982.30	515,638.41	993,122.56		241,131,074.6 6
(2) Internal R&D						
(3) Increase from Enterprise Combination	64,963,934.15					64,963,934.15
(4) Other Amount Increased		6,600,000.00				6,600,000.00
3. Amount Decreased during the Current Period	175,801,148.3 0			923,627.66		176,724,775.9 6
(1) Disposal				923,627.66		923,627.66
(2) Other Amount Decreased	175,801,148.3 0					175,801,148.3 0



4. Closing Balance	2,387,809,221. 08	12,764,594.75	3,820,251.12	128,180,326.1 8	4,285,168.85	2,536,859,561. 98
II. Accumulated Amortization						
1. Opening Balance	169,793,795.7 3	662,066.39	1,482,727.88	36,929,542.29	786,137.20	209,654,269.4 9
2. Amount Increased during the Current Period	49,548,161.47	809,553.60	610,972.00	8,353,885.45	46,344.58	59,368,917.10
(1) Withdrawal	45,408,737.81	809,553.60	610,972.00	8,353,885.45	46,344.58	55,229,493.44
(2) Business Consolidation Increase	3,977,253.89					3,977,253.89
(3) Other Amount Increased	162,169.77					162,169.77
3. Amount Decreased during the Current Period	358,452.26			102,294.01		460,746.27
(1) Disposal				102,294.01		102,294.01
(2) Other Amount Decreased	358,452.26					358,452.26



4. Closing Balance	218,983,504.9 4	1,471,619.99	2,093,699.88	45,181,133.73	832,481.78	268,562,440.3 2
III. Impairment Reserves						
1. Opening Balance						
2. Amount Increased during the Current Period						
(1) Withdrawal						
3. Amount Decreased during the Current Period						
(1) Disposal						
4. Closing Balance						
IV. Book Value						
1. Closing Book	2,168,825,716. 14	11,292,974.76	1,726,551.24	82,999,192.45	3,452,687.07	2,268,297,121. 66



Value						
2. Opening Book Value	2,090,904,308. 11	3,828,546.06	1,821,884.83	91,181,288.99	3,499,031.65	2,191,235,059. 64

At the end of the Reporting Period, the intangible assets resulting from the Company's internal R&D accounted for 0.00% of the intangible asset balance.

(2) Land Use Rights without Property Certificate

Unit: RMB

Items	Book Value	Why the Property Certificate is not secured
Land Use Rights of Baoding Oriental Yuhong Building Materials Co., Ltd.	1,487,824.08	In progress
Land Use Rights of Shenyang Oriental Yuhong Building Materials Co., Ltd.	34,017,900.15	Change of land nature, in progress
Land Use Rights of Guizhou Oriental Yuhong Building Materials Co., Ltd.	20,170,255.30	In progress

Other Instructions:

(3) Impairment test of intangible assets

Applicable Not applicable

19. Goodwill

(1) Original Book Value of Goodwill

Unit: RMB

Name of Invested Company or Matter Relating to the Formation of Goodwill	Opening balance	Amount Increased during the Current Period		Amount Decreased during the Current Period		Closing balance
		From Enterprise Combination		Disposal		



Ningxia Architecture Design & Research Institute Co., Ltd.	72,649,843.01					72,649,843.01
Macheng Sunshine Energy Conservation and Thermal Insulation Material Co., Ltd.	21,354,047.14					21,354,047.14
Guangzhou Fudatec Thermal Insulation Material Co., Ltd.	20,509,184.80					20,509,184.80
Kunming Fasion Waterproof Material Co., Ltd.	13,469,206.10					13,469,206.10
Tianjin Oriental Yuhong Waterproof Engineering Co., Ltd.	6,815,807.91					6,815,807.91
DAW ASIA LIMITED	6,110,065.21					6,110,065.21



Changsha Oriental Sand Powder Technology Co., Ltd.	1,070,866.63					1,070,866.63
Hubei Yuhong Xingfa New Material Co., Ltd.	8,300,870.01					8,300,870.01
Sichuan Oriental Yuhong Building Materials Co., Ltd.		194,291,484.15				194,291,484.15
Total	150,279,890.81	194,291,484.15				344,571,374.96

(2) Goodwill Impairment Provision

Unit: RMB

Name of Invested Company or Matter Relating to the Formation of Goodwill	Opening balance	Amount Increased during the Current Period		Amount Decreased during the Current Period		Closing balance
		Withdrawal		Disposal		
Total						

(3) Relevant information of the asset group or portfolio to which the goodwill belongs

Name	Composition and basis of the asset group or portfolio to which it belongs	Operating segment and basis	Whether it is consistent with the previous year

Asset group or asset group combination changes

Name	Composition before change	Changed composition	Objective facts and basis leading to the change
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Other instructions:

The Company adopts the method of estimating the present value of the future cash flow to calculate the recoverable amount of asset group of Guangzhou Fudatec Thermal Insulation Materials Co., Ltd., Kunming Fasion Waterproof Materials Co., Ltd., Tianjin Oriental Yuhong Waterproof Engineering Co., Ltd., Changsha Oriental Yuhong Sand Powder Technology Co., Ltd., Hubei Yuhong Xingfa New Materials Co., Ltd. and Sichuan Oriental Yuhong Building Materials Co., Ltd. Future cash flows are determined based on the financial budgets approved by the management of the Company from 2024 to 2028 and for the stabilization period thereafter, using a discount rate of 13.82% of the Company's weighted average cost of capital (WACC). Since December 31, 2028, it has been a sustainable operation, and the company will maintain a stable level of profitability at this stage. The asset group or asset group combination related to the goodwill identified by the Company in the current year is consistent with the asset group or asset group combination identified on the acquisition date. According to the results of the impairment test, no provision for impairment of goodwill is required in the current period.

(4) Specific determination method of recoverable amount

The recoverable amount is determined as the net amount of the fair value less the disposal expenses.

Applicable Not applicable

The recoverable amount is determined based on the present value of the estimated future cash flow.

Applicable Not applicable

Reason for the apparent inconsistency between the aforesaid information and the information used in the impairment test of previous years or external information

Reasons for the apparent inconsistency between the information adopted in the impairment test of the previous year and the actual situation of the current year

(5) Completion of performance commitment and corresponding goodwill impairment

When the goodwill is formed, there is a performance commitment and the reporting period or the previous period of the reporting period is within the performance commitment period



Applicable Not applicable

Other instructions:

20. Long-term Unamortized Expenses

Unit: RMB

Items	Opening balance	Amount Increased during the Current Period	Amount Amortized during the Current Period	Other Amounts Decreased	Closing balance
Decoration Fee of Rented House	48,776,613.02	4,808,474.30	39,533,174.31	364,599.74	13,687,313.27
Factory Transformation Fee	11,877,234.76	3,028,320.75	5,842,891.11		9,062,664.40
Others	12,278,983.68	14,701,866.24	10,432,238.47	100,532.43	16,448,079.02
Total	72,932,831.46	22,538,661.29	55,808,303.89	465,132.17	39,198,056.69

Other Instructions

21. Deferred Income Tax Assets/Deferred Income Tax Liabilities

(1) Deferred Income Tax Assets that are Not Offset

Unit: RMB

Items	Closing balance		Opening balance	
	Deductible Temporary Differences	Deferred Tax Assets	Deductible Temporary Differences	Deferred Tax Assets
Asset Impairment Reserves	2,613,606,179.12	467,631,976.75	1,612,095,241.72	280,946,605.69
Deductible Losses	1,892,110,319.17	306,357,890.91	1,286,778,211.05	211,811,498.58
Equity incentive	247,627,407.92	45,267,196.95	545,054,525.14	91,922,250.22
Deferred Income	578,850,334.73	109,300,813.60	541,998,331.14	107,250,669.13



Profits and losses on the changes in fair value	61,360,295.02	10,947,742.84	1,748,560.66	262,284.10
Estimated Liabilities	44,252,069.34	8,151,553.97	27,591,707.97	4,854,029.65
Lease Liabilities	166,655,606.32	33,119,513.52	177,358,054.71	34,993,282.69
Total	5,604,462,211.62	980,776,688.54	4,192,624,632.39	732,040,620.06

(2) Deferred Income Tax Liabilities that are Not Offset

Unit: RMB

Items	Closing balance		Opening balance	
	Taxable Temporary Differences	Deferred Tax Liabilities	Taxable Temporary Differences	Deferred Tax Liabilities
Appreciation of Assets Appraisal for Merger of Enterprises not under the Same Control	57,097,800.00	8,564,670.00		
Change in Fair Value of Other Non-current Financial Assets	9,324.12	2,331.03		
Changes in the Fair Value of Financing Receivables Included in Other Comprehensive Income	16,339,364.64	2,450,904.70	70,216,752.75	10,532,512.91
Right-of-use Assets	159,478,134.95	31,920,793.41	169,201,637.14	33,329,909.24
Total	232,924,623.71	42,938,699.14	239,418,389.89	43,862,422.15

(3) Deferred Income Tax Assets or Deferred Income Tax Liabilities Presented in Net Value after being Offset

Unit: RMB



Items	Closing Offsetable Amount of Deferred Income Tax Assets and Deferred Income Tax Liabilities	Closing Balance of Deferred Inco Deferred Income Tax Assets or Deferred Income Tax Liabilities after the Offset	Opening Offsetable Amount of Deferred Income Tax Assets and Deferred Income Tax Liabilities	Opening Balance of Deferred Inco Deferred Income Tax Assets or Deferred Income Tax Liabilities after the Offset
Deferred Tax Assets	5,604,462,211.62	980,776,688.54	4,192,624,632.39	732,040,620.06
Deferred Tax Liabilities	232,924,623.71	42,938,699.14	239,418,389.89	43,862,422.15

(4) Details of Unrecognized Deferred Income Tax Assets

Unit: RMB

Items	Closing balance	Opening balance
Deductible Temporary Differences	25,861,240.36	161,203,069.42
Deductible Losses	1,404,512,864.56	1,169,781,744.34
Total	1,430,374,104.92	1,330,984,813.76

(5) Deductible Losses of Unrecognized Deferred Income Tax Assets will be Due in the Following Years

Unit: RMB

Year	Closing Balance	Opening Balance	Remark
2023	0.00	53,381,746.18	
2024	106,467,511.93	131,224,598.44	
2025	118,518,121.94	136,468,738.09	
2026	204,039,071.08	210,768,762.98	
2027	513,726,294.53	637,937,898.65	
2028	461,761,865.08	0.00	
Total	1,404,512,864.56	1,169,781,744.34	

Other Instructions:

**22. Other Non-current Assets**

Unit: RMB

Items	Closing balance			Opening balance		
	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
Funds for Real Estate	2,060,400,987.94	196,356,214.12	1,864,044,773.82	1,287,682,553.81		1,287,682,553.81
Funds for the Purchase of Long-term Assets	469,463,841.35		469,463,841.35	819,254,982.45		819,254,982.45
Land Transfer Fee	6,427,809.00		6,427,809.00	11,480,010.40		11,480,010.40
Total	2,536,292,638.29	196,356,214.12	2,339,936,424.17	2,118,417,546.66		2,118,417,546.66

Other Instructions:

23. Assets with Restricted Ownership or Right to Use

Unit: RMB

Item	End of the Current Period				Beginning of the Current Period			
	Book Balance	Book Value	Restricted Type	Restricted Condition	Book Balance	Book Value	Restricted Type	Restricted Condition
Monetary Funds	642,684,210.19	642,684,210.19	Deposits and litigation freezes	Deposits and litigation freezes	798,709,221.28	798,709,221.28	Deposits and litigation freezes	Deposits and litigation freezes
Notes Receivable	180,936,699.37	174,676,289.57	Pledge guarantee	Loan pledge				
Fixed Assets					267,473,811.76	213,588,260.35	Restricted ownership	Loan pledge
Intangible Assets	115,127,460.00	112,633,031.70	Ownership is	Bank loan mortgage	126,065,407.29	100,668,139.65	Restricted ownership	Bank loan mortgage



			restricted					
Accounts Receivable	382,241,319.61	369,015,769.95	Pledge guarantee	Loan pledge	393,700,668.13	382,677,049.42	Pledge guarantee	Loan pledge
Total	1,320,989,689.17	1,299,009,301.41			1,585,949,108.46	1,495,642,670.70		

Other instructions:

24. Short-term Borrowings

(1) Short-term Borrowings Presented by Category

Unit: RMB

Items	Closing balance	Opening balance
Pledge Loans	2,516,827,064.49	3,142,320,779.35
Guaranteed Loans	2,480,000,000.00	2,390,802,934.10
Credit Loans		715,010,000.00
Accrued Interest	1,797,413.23	6,197,212.38
Total	4,998,624,477.72	6,254,330,925.83

Instructions on the classification of short-term borrowings:

(1) Pledge loans consist of the following parts:

A. The Company and Guangzhou Fuda Thermal Insulation Materials Co., Ltd., Guangdong Oriental Yuhong Waterproofing Engineering Co., Ltd., Guangdong Oriental Yuhong Building Materials Technology Co., LTD. And Shenzhen Oriental Yuhong Waterproofing Engineering Co., Ltd. pledged accounts receivable to obtain bank loans of RMB 131,490,400.00;

B. The Company and Beijing Oriental Yuhong Waterproof Engineering Co., LTD., Shanghai Oriental Yuhong Waterproof Technology Co., LTD., Shanghai Oriental Yuhong Waterproof Engineering Co., LTD., Woniushan Building Energy Co., LTD., Guangdong Oriental Yuhong Waterproof Engineering Co., LTD., Shenzhen Oriental Yuhong Waterproof Engineering Co., LTD., Sichuan Oriental Yuhong Waterproof Engineering Co., LTD., Hebei Oriental Yuhong Construction Engineering Co., LTD The company, Kunming Fengxing Waterproof Material Co., LTD., Tianjin



Oriental Yuhong Waterproof Engineering Co., LTD., Guangdong Oriental Yuhong Building Materials Technology Co., LTD., Tiandingfeng Holdings Co., LTD., Oriental Yuhong Tile Roofing System Co., LTD., DAW (China) Co., LTD., DAW Construction Engineering Co., LTD., and Guangzhou Fuda Thermal Insulation Materials Co., Ltd. discounted commercial acceptance bills and bank acceptance bills to obtain a bank loan of RMB 181,336,700.00.

C. Tianjin Hongzhi New Material Co., LTD., Tianjin Oriental Yuhong New Material Technology Co., LTD. discounted the bank acceptance bills of RMB 1,285,000,000.00 and the letter of credit of RMB 919,000,000.00 issued by the related parties, and obtained bank loans of RMB 2,204,000,000.00;

(2) Guaranteed loans consist of the following parts:

A. The Company provided joint and several liability guarantee for the credit agreement signed by Chuzhou Tiandingfeng Nonwovens Co., Ltd. and Chuzhou Langya Sub-branch of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 250,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 200,000,000.00.

B. Mr. Li Weiguo, the shareholder of the Company, provided joint and several liability guarantee for the credit agreement signed between the Company and Shunyi Branch of Beijing Rural Commercial Bank Co., Ltd., with the maximum debt limit of RMB 300,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 200,000,000.00.

C. The Company provided joint and several liability guarantee for the credit agreement signed between Hangzhou Oriental Yuhong Building Materials Co., Ltd. and Jiande Sub-branch of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 210,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 200,000,000.00.

D. Mr. Li Weiguo, the shareholder of the Company, provided joint and several liability guarantee for the credit agreement signed between the Company and Beijing Capital Airport Sub-branch of Bank of China Limited, with the maximum debt limit of RMB 477,500,000.00. As of December 31, 2023, the short-term loan balance was RMB 150,000,000.00.

E. The Company provided joint and several liability guarantee for the credit agreement signed by Jingmen Oriental Yuhong Building Materials Co., Ltd. and Jingmen Duodao Sub-branch of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 200,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 120,000,000.00.

F. The Company provided joint and several liability guarantee for the credit agreement signed between Hongshi (Jiangsu) New Material Technology Co., Ltd. and Yizheng Branch of China



Construction Bank Corporation, with the maximum debt limit of RMB 150,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

G. The Company and Tiandingfeng Holdings Company provided joint and several liability guarantee for the credit agreement signed by Chuzhou Tiandingfeng Nonwovens Co., Ltd. and Chuzhou Branch of Bank of China Limited, with the maximum debt limit of RMB 100,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

H. The Company provided joint and several liability guarantee for the credit agreement signed by Shanghai Oriental Yuhong Waterproofing Technology Co., Ltd. and Jinshan Sub-branch of Bank of Shanghai Co., Ltd., with the maximum debt limit of RMB 150,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

I. The Company provided joint and several liability guarantee for the credit agreement signed by Wuhu Oriental Yuhong Building Materials Co., Ltd. and Jiande Sub-branch of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 240,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

J. The Company provided joint and several liability guarantee for the credit agreement signed by Qingdao Oriental Yuhong Building Materials Co., Ltd. and Qingdao Nanjing Road Guidu Sub-branch of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 105,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

K. The Company provided joint and several liability guarantee for the credit agreement signed by Henan Oriental Yuhong Building Materials Co., Ltd. and Anyang Branch of China Guangfa Bank Co., Ltd., with the maximum debt limit of RMB 100,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

L. The Company provided joint and several liability guarantee for the credit agreement signed by Jingmen Oriental Yuhong Building Materials Co., Ltd. and Jingmen Branch of Bank of Communications Co., Ltd., with the maximum debt limit of RMB 120,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

M. The Company provided joint and several liability guarantee for the credit agreement signed by Tianjin Hongzhi New Materials Co., Ltd. and Citibank (China) Co., Ltd. Beijing Branch, with the maximum debt limit of RMB 354,995,000.00 (equivalent to 50,000,000 USD). As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

N. The Company provided joint and several liability guarantee for the credit agreement signed by Suzhou Oriental Yuhong Building Materials Co., Ltd. and Zhangjiagang Branch of China



Construction Bank Corporation, with the maximum debt limit of RMB 100,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

O. The Company provided joint and several liability guarantee for the credit agreement signed by Xuzhou Woniushan New Waterproof Material Co., Ltd. and Xuzhou Branch of Bank of Communications Co., Ltd., with the maximum debt limit of RMB 80,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 80,000,000.00.

P. The Company provided joint and several liability guarantee for the credit agreement signed by Xuzhou Woniushan New Waterproof Material Co., Ltd. and Xinyi Branch of China Postal Savings Bank Co., Ltd., with the maximum debt limit of RMB 80,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 80,000,000.00.

Q. The Company provided joint and several liability guarantee for the credit agreement signed by Tangshan Oreintal Yuhong Waterproofing Technology Co., Ltd. and Tangshan Fengnan Sub-branch of Bank of Communications Co., Ltd., with the maximum debt limit of RMB 85,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 80,000,000.00.

R. The Company provided joint and several liability guarantee for the credit agreement signed by Jingmen Oreintal Yuhong Building Materials Co., Ltd. and Jingmen Branch of Hankou Bank Co., Ltd., with the maximum debt limit of RMB 88,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 80,000,000.00.

S. The Company provided joint and several liability guarantee for the credit agreement signed by Suzhou Oriental Yuhong Building Materials Co., Ltd. and Zhangjiagang Branch of China Minsheng Banking Corp., Ltd., with the maximum debt limit of RMB 180,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 80,000,000.00.

T. The Company provided joint and several liability guarantee for the credit agreement signed by Xianyang Oreintal Yuhong Building Materials Co., Ltd. and Xianyang Branch of Bank of Communications Co., Ltd., with the maximum debt limit of RMB 60,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 60,000,000.00.

U. The Company provided joint and several liability guarantee for the credit agreement signed by Xuzhou Woniushan New Waterproof Material Co., Ltd. and Bank of Nanjing Co., Ltd. Xuzhou Branch, with the maximum debt limit of RMB 50,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 50,000,000.00.

V. The Company provided joint and several liability guarantee for the credit agreement signed by Tangshan Oriental Yuhong Waterproofing Technology Co., Ltd. and Bank of China Limited



Tangshan Fengnan Sub-branch, with the maximum debt limit of RMB 50,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 50,000,000.00.

W. The Company provided joint and several liability guarantee for the credit agreement signed by Kunming Fasion Waterproof Material Co., Ltd. and Yunnan Branch of Bank of Communications Co., Ltd., with the maximum debt limit of RMB 100,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 50,000,000.00.

X. The Company provided joint and several liability guarantee for the credit agreement signed by Guangdong Oriental Yuhong Waterproofing Engineering Co., Ltd. and Guangzhou Zengcheng Sub-branch of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 165,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 49,000,000.00.

Y. The Company provided joint and several liability guarantee for the credit agreement signed by Guangdong Oriental Yuhong Building Materials Technology Co., Ltd. and Huadu Branch of Guangzhou Green Finance Reform and Innovation Pilot Zone of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 60,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 30,000,000.00.

Z. The Company provided joint and several liability guarantee for the credit agreement signed by Shanghai Oreintal Yuhong Waterproofing Technology Co., Ltd. and Shanghai Baoshan Sub-branch of Bank of China Limited, with the maximum debt limit of RMB 50,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 20,000,000.00.

AA. The Company provided joint and several liability guarantee for the credit agreement signed by Sichuan Oreintal Yuhong Waterproofing Engineering Co., Ltd. and Wuhou Sub-branch of Bank of Chengdu Co., Ltd., with the maximum debt limit of RMB 1,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 1,000,000.00.

(2) Overdue and Unpaid Short-term Loans

The total amount of overdue and unpaid short-term loans at the end of the current period is RMB 0.00, of which the significant overdue and unpaid short-term loans are as follows:

Unit: yuan

Borrowing Unit	Closing Balance	Borrowing Interest Rate	Overdue Time	Overdue Interest Rate

Other instructions:

**25. Trading Financial Liabilities**

Unit: RMB

Item	Closing Balance	Opening Balance
Of which:		
Of which:		

Other instructions:

26. Derivative Financial Liabilities

Unit: RMB

Item	Closing Balance	Opening Balance
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Other instructions:

27. Notes Payable

Unit: RMB

Type	Closing balance	Opening balance
Trade Acceptance Bills	167,540,199.88	
Bank Acceptance Bills	650,700,602.58	588,252,536.00
Total	818,240,802.46	588,252,536.00

At the end of the Reporting Period, the total amount of Notes Payable due but unpaid is 0.00RMB, the reason for unpaid maturity is.

28. Accounts Payable**(1) Accounts Payable Presented**

Unit: RMB

Items	Closing balance	Opening balance
Loans	2,794,272,940.23	3,094,047,752.21
Engineering Equipment Fee	452,972,593.66	530,894,790.74
Freight	137,721,444.68	138,789,516.79



Labor Fees	63,599,860.36	117,703,464.53
Others	30,485,358.37	19,498,469.50
Total	3,479,052,197.30	3,900,933,993.77

29. Other Payables

Unit: RMB

Item	Closing Balance	Opening Balance
Dividends Payable	39,800.00	39,800.00
Other Payables	5,432,416,528.55	6,186,352,339.52
Total	5,432,456,328.55	6,186,392,139.52

(1) Dividends Payable

Unit: RMB

Item	Closing Balance	Opening Balance
Common Stock Dividends	39,800.00	39,800.00
Total	39,800.00	39,800.00

Other instructions, including significant dividends payable that have not been paid for more than one year, should disclose the reasons for non-payment:

(2) Other Payables

1) Other payables presented according to the nature of payment

Unit: RMB

Item	Closing Balance	Opening Balance
Current Account	2,656,340,874.73	3,475,677,050.17
Deposit, Security Deposit	1,985,463,583.69	1,733,951,778.90
Project Payables	473,789,597.30	741,855,424.73
Restricted Shares Repurchase Obligation	116,526,334.92	120,297,413.72
Equity Acquisition Funds	139,036,995.40	49,838,195.40



Managed Government Project Funds	17,528,875.15	20,584,927.91
Other	43,730,267.36	44,147,548.69
Total	5,432,416,528.55	6,186,352,339.52

2) Other payables of the top five in the ending balance collected by the counterparty

Other instructions:

30. Contract Liabilities

Unit: RMB

Items	Closing balance	Opening balance
Loans	2,607,324,388.68	2,365,965,595.50
Project Funds	941,721,061.62	888,076,353.45
Consulting Fees	23,667,562.98	69,509,441.21
Total	3,572,713,013.28	3,323,551,390.16

Significant contractual liabilities with a history of more than one year

Unit: RMB

Items	Closing balance	Opening balance
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Significant Change Amount in Book Value during the Reporting Period and the Underlying Reason

Unit: RMB

Items	Change Amount	Reason for Change
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31. Employee Compensation Payable

(1) Employee Compensation Payable Presented

Unit: RMB

Items	Opening balance	Amount Increased during the Current Period	Amount Decreased during the Current Period	Closing balance
I. Short-term Compensation	116,802,502.14	3,064,043,492.07	3,042,581,045.93	138,264,948.28



II. Post-resignation Benefits - Defined Contribution Plans	6,070,815.98	154,326,800.36	158,866,918.37	1,530,697.97
Total	122,873,318.12	3,218,370,292.43	3,201,447,964.30	139,795,646.25

(2) Short-term Compensation Presented

Unit: RMB

Items	Opening balance	Amount Increased during the Current Period	Amount Decreased during the Current Period	Closing balance
1. Salary, Bonus, Allowance and Subsidy	109,057,404.52	2,769,623,908.06	2,748,300,683.22	130,380,629.36
2. Employee Benefits		86,503,741.49	86,503,741.49	
3. Social Insurance Premiums	1,111,986.34	93,650,364.55	93,418,831.99	1,343,518.90
Of which:				
Medical Insurance Premium	719,999.20	83,531,983.55	83,080,390.47	1,171,592.28
Work Injury Insurance Premium	268,770.36	7,410,569.29	7,643,246.16	36,093.49
Maternity Insurance Premium	123,216.78	2,707,811.71	2,695,195.36	135,833.13
4. Housing Provident Fund	4,623,276.61	90,781,016.64	92,274,921.76	3,129,371.49
5. Labor Union Expenditure and Employee Education Fund	2,009,834.67	23,484,461.33	22,082,867.47	3,411,428.53
Total	116,802,502.14	3,064,043,492.07	3,042,581,045.93	138,264,948.28

**(3) Defined Contribution Plans Presented**

Unit: RMB

Items	Opening balance	Amount Increased during the Current Period	Amount Decreased during the Current Period	Closing balance
1. Basic Endowment Insurance Premium	5,422,703.28	149,145,498.70	153,354,059.35	1,214,142.63
2. Unemployment Insurance Premium	648,112.70	5,181,301.66	5,512,859.02	316,555.34
Total	6,070,815.98	154,326,800.36	158,866,918.37	1,530,697.97

Other Instructions:

32. Taxes Payable

Unit: RMB

Items	Closing balance	Opening balance
Value-added Tax	116,656,509.25	121,027,326.00
Corporate Income Tax	440,425,830.30	461,025,519.73
Individual Income Tax	25,421,625.25	24,706,976.67
Urban Maintenance and Construction Fee	7,848,545.75	7,902,003.88
Education Surcharge	5,744,432.02	5,797,184.29
Land Use Tax	3,504,768.10	2,101,436.86
House Property Tax	3,885,426.59	2,673,578.09
Others	2,953,258.17	2,451,835.66
Total	606,440,395.43	627,685,861.18

Other Instructions:

33. Non-current Liabilities Due within One Year

Unit: RMB



Items	Closing balance	Opening balance
Long-term Borrowings Due within One Year	267,589,357.57	548,575,638.88
Long-term Payables Due within One Year	1,460,000.00	2,976,803.07
Lease Liabilities Due Within One Year	28,361,416.15	26,806,633.37
Total	297,410,773.72	578,359,075.32

Other Instructions:

34. Other Current Liabilities

Unit: RMB

Items	Closing balance	Opening balance
Prepaid and Deferred Taxes	392,518,847.25	379,020,870.56
Total	392,518,847.25	379,020,870.56

Change Amount of Short-term Bonds Payable.

Unit: RMB

Bond Name	Face Value	Date of Issue	Bond Period	Amount Issued	Opening balance	Amount Issued during the Current Period	Interest Accrued based on Face Value	Amortization of Premiums and Discounts	Amount Repaid during the Current Period		Closing balance
Total	--	--	--								

Other Instructions:

35. Long-term Borrowings

(1) Long-term Borrowings Presented by Category

Unit: RMB

Items	Closing balance	Opening balance
Mortgage Loans	4,706,258.66	0.00
Guaranteed Loans	1,703,963,919.89	413,000,000.00
Debt of Honour		130,000,000.00
Accrued Interest		920,486.11
Total	1,708,670,178.55	543,920,486.11

Instructions on the classification of Long-term Borrowings:

(1) Guaranteed loans consist of the following parts:

A. Mr. Li Weiguo, the shareholder of the Company, provided joint and several liability guarantee for the credit agreement signed between the Company and Beijing Tongzhou Branch of China Construction Bank Corporation, with the maximum debt limit of RMB 1,300,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 790,000,000.00.

B. The Company provided joint and several liability guarantee for the credit agreement signed by Changde Tiandingfeng Nonwovens Co., Ltd. and Changde Branch of China Construction Bank Corporation, with the maximum debt limit of RMB 200,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 200,000,000.00.

C. The Company provided joint and several liability guarantee for the credit agreement signed between Yueyang Oriental Yuhong Waterproofing Technology Co., Ltd. and Yueyang Branch of China Construction Bank Corporation, with the maximum debt limit of RMB 800,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 200,000,000.00.

D. The Company provided joint and several liability guarantee for the credit agreement signed by Henan Oriental Yuhong Building Materials Co., Ltd. and Puyang Hualong Sub-branch of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 200,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 200,000,000.00, of which the long-term loan due within one year was RMB 20,000,000.00.

E. The Company provided joint and several liability guarantee for the credit agreement signed by Jingmen Oriental Yuhong Building Materials Co., Ltd. and Jingmen Duodao Sub-branch of China



Construction Bank Corporation, with the maximum debt limit of RMB 350,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 150,000,000.00.

F. The Company provided joint and several liability guarantee for the credit agreement signed by Wuhu Oriental Yuhong Building Materials Co., Ltd. and Wuhu Chengjian Sub-branch of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 240,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 100,000,000.00.

G. The Company provided joint and several liability guarantee for the credit agreement signed by Chuzhou Tiandingfeng Nonwovens Co., Ltd. and Chuzhou Shanghai Road Sub-branch of Bank of China Limited, with the maximum debt limit of RMB 80,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 80,000,000.00, of which the long-term loan due within one year was RMB 80,000,000.00.

H. The Company provided joint and several liability guarantee for the credit agreement signed by Wuhu Oriental Yuhong Building Materials Co., Ltd. and Wuhu Sanshan Sub-branch of China Construction Bank Corporation, with the maximum debt limit of RMB 132,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 80,000,000.00, of which the long-term loan due within one year was RMB 2,000,000.00.

I. The Company provided joint and several liability guarantee for the credit agreement signed by Wuhu Oriental Yuhong Building Materials Co., Ltd. and Sanshan Sub-branch of Wuhu Yangtze Rural Commercial Bank Co., Ltd., with the maximum debt limit of RMB 50,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 37,000,000.00, of which the long-term loan due within one year was RMB 37,000,000.00.

J. The Company provided joint and several liability guarantee for the credit agreement signed by Hongshi (Jiangsu) New Material Technology Co., Ltd. and Yangzhou Branch of Bank of Jiangsu Co., Ltd., with the maximum debt limit of RMB 150,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 5,963,900.

(2) Mortgage loans consist of the following parts:

Guangzhou Oriental Yuhong Real Estate Investment Co., Ltd. pledged the land jointly owned by Guangzhou Yuhong Real Estate Investment Co., Ltd., Guangzhou Woniushan Real Estate Investment Co., Ltd., Guangzhou Fudatec Real Estate Investment Co., Ltd., Guangzhou Tiandingfeng Real Estate Investment Co., Ltd., Guangzhou Qinggeng Real Estate Investment Co., Ltd., Guangzhou Hongyi Real Estate Investment Co., Ltd., Guangzhou VASA Real Estate Investment Co., Ltd., Guangzhou Bi'an Real Estate Investment Co., Ltd., Guangzhou Yanghe Real Estate Investment Co., Ltd. and Guangzhou Deaiwei Real Estate Investment Ltd. (Hereinafter



referred to as the ten companies), with the 100% equity of Guangdong Oriental Yuhong Real Estate Investment Co., Ltd. and the ten companies held by Oriental Yuhong Real Estate Co., Ltd. as the pledge. The total value of the pledge was RMB RMB 115,127,500.00; meanwhile, the ten companies provided joint and several liability guarantee for the credit agreement signed by Guangzhou Oriental Yuhong Real Estate Investment Co., Ltd. and Guangzhou Branch of China Minsheng Banking Corp., Ltd., which was a long-term loan contract with a principal of RMB 200,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 4,706,300.00.

(3) Credit loans consist of the following parts:

The Company obtained a credit loan from Shanghai Branch of Korea Development Bank (China) Co., Ltd. As of December 31, 2023, the long-term loan balance was RMB 127,400,000.00, of which the long-term loan due within one year was RMB 127,400,000.00.

Other instructions: Including interest rate intervals:

36. Lease liabilities

Unit: RMB

Item	Closing balance	Opening Balance
Lease liabilities for operating leases	177,044,897.51	150,551,421.42
Total	177,044,897.51	150,551,421.42

Other instructions

Note: The amount of interest expense on lease liabilities accrued in 2023 was RMB 8,844,400, which was included in financial expenses - interest expense.

37. Long-term Payables

Unit: RMB

Items	Closing balance	Opening balance
Long-term Payables	52,560,000.00	54,020,000.00
Total	52,560,000.00	54,020,000.00

(1) Long-term Payables Presented by Nature

Unit: RMB

Items	Closing balance	Opening balance
Finance Lease Payable	52,560,000.00	54,020,000.00



Other instructions

38. Expected Liabilities

Unit: RMB

Items	Closing balance	Opening balance	Underlying Reason
External Guarantee	17,047,028.35	7,212,437.54	
Loss-making Contract to be Performed	41,859,924.66	29,233,621.51	
Total	58,906,953.01	36,446,059.05	

Other instructions, including relevant important assumptions and estimation instructions about key expected liabilities:

39. Deferred Income

Unit: RMB

Items	Opening balance	Amount Increased during the Current Period	Amount Decreased during the Current Period	Closing balance	Underlying Reason
Governmental Grants	610,423,884.71	132,458,918.00	53,070,539.78	689,812,262.93	See details in the Instructions
Total	610,423,884.71	132,458,918.00	53,070,539.78	689,812,262.93	--

Other instructions:

40. Share Capital

Unit: RMB

	Opening balance	Changes during the period (+/-)					Closing balance
		Stock issue	Bonus issue	Bonus issue from capital reserves	Other	Subtotal	
Total shares	2,518,464,191.00						2,518,464,191.00



Other Instructions:

41. Capital reserves

Unit: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Capital premium (share premium)	10,343,307,289.62	32,030,270.42	45,928,653.42	10,329,408,906.62
Other capital reserves	378,185,993.92		285,408,252.05	92,777,741.87
Total	10,721,493,283.54	32,030,270.42	331,336,905.47	10,422,186,648.49

Other Instructions: Including changes in the current period, relevant reasons for the changes:

- (1) The Company converted the accumulated amortization of RMB 32,010,214.86 included in other capital reserves during the vesting period of equity-settled share-based payments of restricted stocks in previous years that have reached the unlocking period into capital reserve - stock premium;
- (2) The Company purchased 6.0909% equity of Hubei Yuhong Xingfa New Materials Co., Ltd. in the current period, and the difference between the purchase price and the net assets corresponding to the investment was RMB 20,055.56, which increased the capital reserve-capital stock premium.
- (3) The difference between the consideration paid by the Company for the purchase of the minority equity of Shanghai Yanghe New Material Technology Co., Ltd. in the current period and the share of net assets of the subsidiary calculated continuously from the date of purchase according to the proportion of new shareholdings is RMB 45,928,653.42, which reduced the capital reserve-capital stock premium;
- (4) The decrease in other capital reserves of the Company includes: firstly, the amortization expense included in the capital reserve during the vesting period of the equity-settled share-based payment is RMB 231,901,765.92 after deducting the amount affected by minority shareholders. Secondly, it is estimated that the pre-tax deductible amount in the future period would exceed the net decrease of RMB 21,496,271.27 in the cost and expense recognized during the waiting period.

42. Treasury stock

Unit: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Treasury stock	1,121,608,787.15	122,468,908.78	1,885,539.40	1,242,192,156.53



Total	1,121,608,787.15	122,468,908.78	1,885,539.40	1,242,192,156.53
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Other instructions, including changes in the current period, relevant reasons for the changes:

- (1) The increase of treasury shares of the Company was the treasury shares of RMB 122,468,908.78 repurchased from the secondary market in the current period, which is used for writing off and reducing the registered capital of the Company.
- (2) The dividend of the Company reduced the treasury shares by RMB 1,885,539.40.
- (3) As of December 31, 2023, among the treasury shares of the Company, the repurchased shares amounted to RMB 1,123,780,282.21, and the obligation to repurchase restricted shares amounted to RMB 118,411,874.32.

43. Other comprehensive income

Unit: RMB

Item	Opening balance	Current period incurred						Closing balance
		Incurrance before income tax for the current period	Minus: included in other comprehensive income in previous period and transferred to profit and loss in the current period	Minus: included in other comprehensive income in previous period and transferred to retained income in the current period	Minus: Income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified into profit and loss	24,439,635.10	- 52,312,798.49			- 7,819,324.11	- 44,533,903.91	40,429.53	- 20,094,268.81



Other comprehensive income that cannot be transferred to profit or loss under the equity method		-12,091.75				-12,091.75		-12,091.75
Changes in fair value of investments in other equity instruments	24,439,635.10	-52,300,706.74			7,819,324.11	-44,521,812.16	40,429.53	-20,082,177.06
II. Other comprehensive income that will be reclassified into profit or loss	-381,994.67	5,330,461.34				5,330,461.34		4,948,466.67
Translation differences between financial statement on foreign currencies	-381,994.67	5,330,461.34				5,330,461.34		4,948,466.67



Other comprehensive income	24,057,640.43	-46,982,337.15			-7,819,324.11	-39,203,442.57	40,429.53	-15,145,802.14
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Other instructions, including the adjustment of the effective part of the cash flow hedge profit and loss into the initial confirmation amount of the hedged item:

44. Surplus reserves

Unit: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserves	543,872,112.34	48,137,587.05		592,009,699.39
Total	543,872,112.34	48,137,587.05		592,009,699.39

Other instructions concerning surplus reserve, including changes in the current period, relevant reasons for the changes:

45. Undistributed profit

Unit: RMB

Item	Current period	Previous period
Undistributed profit at the end of the previous period before adjustment	14,122,557,990.99	12,904,011,418.14
Total amount of undistributed profit at the beginning of the adjustment period (increase denoted by "+", decrease denoted by "-")		584,936.81
Adjusted opening undistributed profit	14,122,557,990.99	12,904,596,354.95
Plus: Net profit attributable to owners of the parent company in current period	2,273,331,266.86	2,121,353,829.27
Minus: Withdrawal of statutory surplus reserves	48,137,587.05	150,878,603.93



Dividends payable on common stock	249,059,743.50	752,513,589.30
Undistributed profit at the end of the period	16,098,691,927.30	14,122,557,990.99

Breakdown of adjusted undistributed profit at the beginning of the period:

- 1) Due to the retrospective adjustment of the Accounting Standards for Enterprises and relevant new regulations, the undistributed profit at the beginning totaling RMB 0.00 was affected.
- 2) Due to the change of accounting policies, the undistributed profit at the beginning of the period totaling RMB 584,936.81 was affected.
- 3) Due to the correction of major accounting errors, the undistributed profit at the beginning of the period totaling RMB 0.00 was affected.
- 4) Due to changes in the scope of combination incurred by the same control, the undistributed profit at the beginning of the period totaling RMB 0.00 was affected.
- 5) Due to other adjustment, the undistributed profit at the beginning of the period totaling RMB 0.00 was affected.

46. Operating income and costs

Unit: RMB

Item	Current period incurred		Previous period incurred	
	Income	Costs	Income	Costs
Main business	32,165,234,847.29	23,117,115,381.54	30,354,915,150.02	22,418,697,608.92
Other business	657,293,261.13	617,745,548.60	858,920,096.22	752,795,743.79
Total	32,822,528,108.42	23,734,860,930.14	31,213,835,246.24	23,171,493,352.71

Regarding the audited net profit before and after deduction of non-recurring profit and loss, is the lower figure of them negative?

Yes No

Breakdown information of operating income and operating costs:

Unit: RMB

Contract Type	Breakdown 1	Breakdown 2		Total



Commodity Type				
Of which:				
By business area				
Of which:				
By market or client				
Of which:				
Contract type				
Of which:				
By commodity transfer time				
Of which:				
By contract term				
Of which:				
By sales channel				
Of which:				
Total				

Information relating to performance obligations:



Item	Time for performance of the performance obligation	Important payment terms	The nature of the goods which the company undertakes to transfer	Whether it is the main responsible person	Amounts assumed by the Company which are expected to be refunded to the Customer	Types of Quality Assurance Provided by the Company and Related Obligations
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Other instructions:

The Company's sale of waterproof products is a performance obligation at a certain point in time. The waterproofing engineering construction services and architectural design services provided by the Company belong to the performance obligations performed within a certain period of time.

Information related to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the amount of revenue corresponding to the performance obligations that have been signed but have not been performed or completed is RMB 15,756,788,931.94, of which RMB X is expected to be recognized in the year of X, RMB X expected to be recognized in the year of X, and RMB X is expected to be recognized in the year of X.

Information about variable consideration in the contract:

Major contract changes or major transaction price adjustments

Unit: RMB

Item	Accounting Method	Affected Income
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Other instructions:

(2) Operating Income by Product Type

Main Product Type	Current period incurred	Previous period incurred
Waterproof Products	28,920,393,455.11	25,952,172,197.61
Engineering Construction Services	3,244,841,392.18	4,402,742,952.41
Materials Sales	657,293,261.13	858,920,096.22
Total	32,822,528,108.42	31,213,835,246.24

(3) Operating Income by Area



Main Operating Areas	Current period incurred	Previous period incurred
Chinese Mainland	32,112,280,934.66	30,747,830,216.05
Hong Kong and Macao	7,466,050.67	9,784,828.86
Other Countries or Regions	702,781,123.09	456,220,201.33
Total	32,822,528,108.42	31,213,835,246.24

(4) Operating Income by Commodity Transfer Time

Main Operating Revenue:	Current period incurred	Previous period incurred
Of which: Recognized at a certain point	28,676,326,248.83	25,845,804,803.21
Recognized during a certain period	3,488,908,598.46	4,509,110,346.81
Other Operating Revenue	657,293,261.13	858,920,096.22
Total	32,822,528,108.42	31,213,835,246.24

47. Taxes and surcharges

Unit: RMB

Item	Current period incurred	Previous period incurred
urban maintenance and construction tax	76,925,543.66	86,607,790.28
education surcharge	62,174,516.08	67,759,232.97
Property tax	50,729,459.57	28,362,068.94
Land use tax	29,616,944.61	23,146,735.42
Stamp duty	55,576,654.56	40,015,672.23
Others	7,817,211.39	6,875,886.69
Total	282,840,329.87	252,767,386.53

Other instructions:

**48. Administrative expenses**

Unit: RMB

Item	Current period incurred	Previous period incurred
Employee compensation	1,056,818,757.70	1,139,371,456.61
Equity incentive	-236,381,903.42	87,824,518.62
Depreciation and amortization	232,758,786.13	190,985,490.50
Consulting fees	94,605,361.09	100,864,491.02
Business Hospitality	69,444,788.19	58,279,553.45
Travel expenses	59,588,088.98	29,693,118.93
Rent and heating charges	57,287,316.96	24,216,439.39
Office expenses	55,289,102.35	47,600,893.82
Fuel power cost	22,204,941.39	16,130,445.22
Testing expenses	12,347,444.38	10,724,251.81
Vehicle expenses	9,093,192.59	6,923,437.59
Others	106,372,713.08	82,249,524.08
Total	1,539,428,589.42	1,794,863,621.04

Other instructions:

49. Selling expenses

Unit: RMB

Item	Current period incurred	Previous period incurred
Employee compensation	1,373,598,946.76	1,382,066,785.33
Transportation and handling charges	575,799,091.83	411,856,535.09
Consulting fees	324,192,953.19	270,710,430.49
Advertising fees	278,654,141.85	263,887,690.57
Travel expenses	109,918,890.44	71,522,636.60
Business Hospitality	93,777,077.46	106,142,404.82
Material consumption	40,413,080.12	34,137,064.81



Warehouse expenses	35,768,982.80	24,285,723.51
Conference expenses	19,175,442.06	5,273,519.29
Depreciation and amortization	14,240,418.60	12,668,930.39
Vehicle usage fee	13,715,962.83	4,750,100.65
Rent and property expenses	13,475,368.95	9,656,986.04
Office expenses	11,721,632.13	13,719,061.74
Others	73,726,447.62	47,000,503.13
Total	2,978,178,436.64	2,657,678,372.46

Other instructions:

50. R&D expenses

Unit: RMB

Item	Current period incurred	Previous period incurred
Employee compensation	271,506,208.57	255,598,896.05
Material expenses	231,080,371.50	214,119,199.27
Depreciation	26,768,536.45	17,432,163.86
Process equipment development and manufacturing costs	18,480,044.46	15,328,204.58
Patent royalties	14,153,791.33	13,250,431.68
Fuel power cost	6,446,722.93	4,775,624.48
Office expenses	4,687,164.79	4,413,702.67
Testing and laboratory processing cost	1,665,583.46	1,498,947.61
Others	30,862,663.95	29,898,766.91
Total	605,651,087.44	556,315,937.11

Other instructions:

51. Financial expenses

Unit: RMB



Item	Current period incurred	Previous period incurred
Interest Expenditure	126,722,473.01	197,928,387.12
Minus: Capitalization of interest	-105,017.32	-735,388.89
Interest income	-52,252,700.91	-71,272,385.61
Profit and loss on exchange	-12,574,186.41	17,602,736.06
Procedure fees and others	66,771,454.20	101,707,471.62
Total	128,562,022.57	245,230,820.30

Other instructions:

52. Other gains

Unit: RMB

Sources of other gains	Current period incurred	Previous period incurred
Government Subsidy	488,504,188.38	451,524,545.13
Others	810,559.98	1,097,112.79
Total	489,314,748.36	452,621,657.92

53. Income on changes in fair value

Unit: RMB

Sources of income from changes in fair value	Current period incurred	Previous period incurred
Trading financial assets	-914,595.62	2,000,270.00
Other non-current financial assets	-10,015,857.64	-6,868,836.98
Total	-10,930,453.26	-4,868,566.98

Other instructions:

54. Investment income

Unit: RMB

Item	Current period incurred	Previous period incurred
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Income from long-term equity investments accounted with the equity method	3,101,561.19	6,433,503.63
Investment income from disposal of long-term equity investments	2,698,711.44	-83,492.57
Investment income of trading financial assets during the holding period	17,484,820.63	6,384,843.30
Investment income from disposal of trading financial assets	572,897.66	
Dividend income from investments in other equity instruments during the holding period	149,356.03	
Investment income obtained during holding other non-current financial assets	2,154,103.97	8,267,479.21
Investment gains from the disposal of other non-current financial assets		8,535,499.59
Investment gains from disposal of financial assets	-71,564,730.67	-41,498,847.39
Total	-45,403,279.75	-11,961,014.23

Other instructions:

55. Credit impairment loss

Unit: RMB

Item	Current period incurred	Previous period incurred
Bad debt losses on notes receivable	-7,437,433.46	13,668,606.43
Bad debt losses on accounts receivable	-572,298,825.56	-223,891,484.06
Loss on bad debts of other receivables	-163,131,125.00	-97,461,752.56



Others	-9,834,590.81	-7,212,437.54
Total	-752,701,974.83	-314,897,067.73

Other instructions:

56. Asset impairment loss

Unit: RMB

Item	Current period incurred	Previous period incurred
I. Loss on decline in value of inventories and impairment loss on contract performance costs	-224,418.39	-2,968,716.16
XI. Contract asset impairment losses	-89,522,339.32	-74,796,423.51
XII.Other	-196,356,214.12	
Total	-286,102,971.83	-77,765,139.67

Other instructions:

57. Income on disposal of assets

Unit: RMB

Sources of income from disposal of assets	Current period incurred	Previous period incurred
Gains on disposal of fixed assets (losses are denoted by "-")	1,338,374.07	390,865.78

58. Non-operating income

Unit: RMB

Item	Current period incurred	Previous period incurred	Amount included in current non-recurring profit and loss
Profit on retirement of fixed assets	12,440,857.78	6,552,042.60	12,440,857.78
Fines and others	35,554,314.69	53,175,456.38	35,554,314.69
Total	47,995,172.47	59,727,498.98	47,995,172.47



Other instructions:

59. Non-operating expenses

Unit: RMB

Item	Current period incurred	Previous period incurred	Amount included in current non-recurring profit and loss
External donation	5,566,693.70	2,166,660.30	5,566,693.70
Loss on retirement of fixed assets	11,529,316.06	22,424,032.24	11,529,316.06
Fines and late fees	14,431,419.47	2,735,251.37	14,431,419.47
Other	11,519,329.03	8,013,691.08	11,519,329.03
Total	43,046,758.26	35,339,634.99	43,046,758.26

Other instructions:

60. Income tax expenses

(1) Income tax expense chart

Unit: RMB

Item	Current period incurred	Previous period incurred
Current income tax expenses	938,497,521.14	766,742,156.51
Deferred tax expenses	-272,003,976.04	-282,233,470.63
Total	666,493,545.10	484,508,685.88

(2) Accounting profit and income tax expense adjustment process

Unit: RMB

Item	Current period incurred
Total profit	2,953,469,569.31
Income tax expense at statutory/applicable rates	443,020,435.40
Impact of different tax rates applied to subsidiaries	187,088,889.49



Impact of adjusting income taxes for prior periods	-3,606,945.02
Impact of non-deductible costs, expenses and losses	16,699,421.64
Impact of using deductible losses on unrecognized deferred tax assets in prior periods	-28,682,743.64
Impact of deductible temporary differences or deductible losses on unrecognized deferred tax assets in current period	92,438,596.48
Profit and loss of joint ventures and associates accounted in the equity method	-465,234.18
Impact of changes in tax rates on opening deferred income tax balance	10,272,435.54
Tax impact of the research and development fee with deduction (denoted by "-")	-50,271,310.61
Income tax expenses	666,493,545.10

Other instructions:

61. Other Comprehensive Income

See details in the Notes.

62. Cash flow statement items

(1) Cash received from other operation-related activities

Statement on cash received from other operation-related activities

Unit: RMB

Item	Current period incurred	Previous period incurred
Account Current	340,710,604.79	1,303,664,383.95
Government subsidies and incentives	521,140,382.95	507,013,785.79
Fines and others	88,617,575.58	99,012,111.58
Restricted margin	157,611,814.38	312,401,641.58
Total	1,108,080,377.70	2,222,091,922.90

Statement on cash received from other operation-related activities



None

Statement on cash received from other operation-related activities

Unit: RMB

Item	Current period incurred	Previous period incurred
Out-of-pocket expenses	2,047,672,236.02	1,825,077,479.55
Account current	1,634,394,324.24	1,167,476,643.42
Damages from litigation	7,377,862.50	
Fines and late fees etc.		19,736,914.09
Donation expenses	14,431,419.47	2,735,251.37
Restricted funds	5,566,693.70	2,166,660.30
Escrow funds and others	1,586,803.29	83,364,381.50
Others	78,290,783.23	29,540,774.21
Total	3,789,320,122.45	3,130,098,104.44

Statement on cash received from other operation-related activities

None

(2) Cash received from other investment-related activities

Statement on cash received from other investment-related activities

Unit: RMB

Item	Current period incurred	Previous period incurred
Borrowing	1,448,315,000.00	1,107,000,000.00
Interest income	20,474,329.00	25,387,730.41
Total	1,468,789,329.00	1,132,387,730.41

Significant cash received from investment activities

Unit: RMB

Item	Current period incurred	Previous period incurred
None		



Statement on cash received from other investment-related activities

None

Statement on cash paid for other investment-related activities

Unit: RMB

Item	Current period incurred	Previous period incurred
Borrowing	1,000,000,000.00	2,757,000,000.00
Total	1,000,000,000.00	2,757,000,000.00

Significant cash paid for investment activities

Unit: RMB

Item	Current period incurred	Previous period incurred
None		

Statement on cash paid for other investment-related activities

None

(3) Cash received from other activities related to fund-raising

Statement on cash received from other activities related to fund-raising:

Unit: RMB

Item	Current period incurred	Previous period incurred
Loan margin	0.00	530,000,000.00
Factoring	204,843,821.68	360,180,745.00
Total	204,843,821.68	890,180,745.00

Statement on cash received from other activities related to fund-raising:

None

Statement on cash paid for other activities related to fund-raising

Unit: RMB

Item	Current period incurred	Previous period incurred
Restricted share repurchase	122,468,908.78	938,102,354.13



Factoring	360,180,745.00	0.00
Borrowing	530,000,000.00	0.00
Lease liabilities	42,040,960.60	38,070,774.73
Total	1,054,690,614.38	976,173,128.86

Statement on cash paid for other activities related to fund-raising

None

Changes in liabilities arising from financing activities

Applicable Not applicable

Unit: RMB

Item	Opening Balance	Increase in Current Period		Decrease in the Current Period		Closing Balance
		Changes in Cash	Non-cash Movements	Changes in Cash	Non-cash Movements	
Short-term Loan	6,254,330,925.83	8,600,227,064.49	1,797,413.23	9,854,330,925.83	3,400,000.00	4,998,624,477.72
Long-term Loan	1,092,496,124.99	1,730,670,178.55	1,189,357.57	848,096,124.99		1,976,259,536.12
Lease Liabilities	177,358,054.79	52,115,603.20	17,973,616.31	42,040,960.60		205,406,313.70
Total	7,524,185,105.61	10,383,012,846.24	20,960,387.11	10,744,468,011.42	3,400,000.00	7,180,290,327.54

(4) Major activities and financial impacts that do not involve current cash receipts and payments, but affect the financial position of the enterprise or may affect the cash flow of the enterprise in the future

None

63. Supplementary information to cash flow statement

(1) Supplementary information to cash flow statement

Unit: RMB

Supplementary information	Amount in current period	Amount in previous period



1. Adjusting net profit to cash flow of operating activities:		
Net profit	2,286,976,024.21	2,118,885,669.29
Plus: asset impairment reserve	1,038,804,946.66	392,662,207.40
Depreciation of fixed assets and productive biological assets, consumption of oil and gas assets	810,151,229.27	710,216,388.08
Depreciation of right-of-use assets	26,633,180.89	38,635,850.64
Amortization of intangible assets	55,391,663.21	47,261,324.24
Amortization of long-term unamortized expenses	55,808,303.89	17,526,550.71
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains denoted by a "-")	-1,338,374.07	-390,865.78
Fixed asset scrap losses (gains are denoted by a "-")	-911,541.72	15,871,989.64
Loss on changes in fair value (gains denoted by a "-")	10,930,453.26	4,868,566.98
Financial expenses (gains denoted by a "-")	126,617,455.69	190,148,173.14
Investment losses (gains denoted by a "-")	45,403,279.75	11,961,014.23
Decrease in deferred income tax assets (increase denoted by a "-")	-270,597,191.22	-268,347,479.49
Increase in deferred income tax liability (decrease denoted by a "-")	-1,406,784.80	-13,885,991.14



Decrease in inventory (increase denoted by a "-")	-937,930,264.30	-144,849,531.36
Decrease in operating receivables (increase denoted by a "-")	-813,172,733.75	-2,370,007,987.26
Increase in operating payables (decrease denoted by a "-")	-247,805,115.03	-413,404,894.05
Other	-80,356,892.33	316,861,778.69
Net cash flow from operating activities	2,103,197,639.61	654,012,763.96
2 Significant investment and fund- raising activities that do not involve cash receipts and disbursements:		
Debt to Capital		
Convertible corporate bonds maturing within one year		
Financing lease into fixed Fixed Assets		
New right-of-use assets	65,160,922.86	26,428,061.21
3. Net changes in cash and cash equivalents:		
Closing balance of cash		
Minus: Opening balance of cash	9,740,507,537.27	14,858,317,762.67
Plus: Closing balance of cash equivalents	8,476,816,459.18	9,740,507,537.27
Minus: Opening balance of cash equivalents		
Net increase of cash and cash equivalents:	-1,263,691,078.09	-5,117,810,225.40

**(2) Net cash received from the disposal of subsidiaries in current period**

Unit: RMB

	Amount
Cash or cash equivalents received from the disposal of subsidiaries in current period	194,639,800.00
Of which	
Sichuan Oriental Yuhong Building Materials Co., Ltd.	194,639,800.00
Minus: cash and cash equivalents held by the company on the date of purchase	11,783,013.73
Of which	
Sichuan Oriental Yuhong Building Materials Co., Ltd.	11,783,013.73
Net cash paid for acquisition of subsidiaries	182,856,786.27
Plus: cash or cash equivalents paid in the current period for business combinations in previous periods	0.00
Of which	
	0.00
Net cash paid for acquiring subsidiaries	182,856,786.27

Other instructions:

None

(3) Net cash received from disposal of subsidiaries in the current period

Unit: RMB

	Amount
Cash or cash equivalents received from disposal of subsidiaries in the current period	19,859,163.71
Of which:	
Shanghai Wealter New Material Co., Ltd	4,622,000.00
Deyang Hongde Real Estate Co., Ltd.	1,000,000.00



Xinjiang Oreital Yuhong Renovation Engineering Co., Ltd.	1,040,816.33
Shanghai Oriental Yuhong Building Renovation Co., Ltd.	6,574,147.38
Chongqing Oriental Yuhong Building Renovation Technology Co., Ltd.	510,000.00
Tianjin Oreital Yuhong Renovation Engineering Co., Ltd.	510,000.00
Jilin Oreital Yuhong Building Renovation Engineering Co., Ltd.	510,000.00
Zhengzhou Oreital Yuhong Renovation Engineering Co., Ltd.	1,530,000.00
Hangzhou Oreital Yuhong Urban Renewal Construction Co., Ltd.	0.00
Oreital Yuhong (Beijing) Renovation Engineering Co., Ltd.	0.00
Hainan Gufeng Building Materials Technology Co., Ltd.	3,562,200.00
Minus: Cash and cash equivalents held by subsidiaries on the date of loss of control	5,132,050.30
Of which:	
Shanghai Wealter New Material Co., Ltd	1,085,657.55
Deyang Hongde Real Estate Co., Ltd.	122,816.60
Xinjiang Oreital Yuhong Renovation Engineering Co., Ltd.	11,213.00
Shanghai Oriental Yuhong Building Renovation Co., Ltd.	17,513.05
Chongqing Oriental Yuhong Building Renovation Technology Co., Ltd.	35,588.13
Tianjin Oreital Yuhong Renovation Engineering Co., Ltd.	372.32
Jilin Oreital Yuhong Building Renovation Engineering Co., Ltd.	172,082.11



Zhengzhou Oreintal Yuhong Renovation Engineering Co., Ltd.	2,562,217.86
Hangzhou Oreintal Yuhong Urban Renewal Construction Co., Ltd.	3,956.19
Oreintal Yuhong (Beijing) Renovation Engineering Co., Ltd.	999,937.50
Hainan Gufeng Building Materials Technology Co., Ltd.	120,695.99
Plus: cash or cash equivalents received in the current period from disposal of subsidiaries in the previous period	0.00
Of which:	
	0.00
Net cash received from disposal of subsidiaries	14,727,113.41

Other instructions:

None

(4) Composition of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash		9,740,507,537.27
of which: cash on hand	3,089,742.26	2,248,492.06
Bank deposits readily available for payment	8,382,752,951.09	9,738,259,045.21
Other monetary funds available for payment at any time	90,973,765.83	
II. Cash equivalents	8,476,816,459.18	
III. Closing balance of cash and cash equivalents	8,476,816,459.18	9,740,507,537.27



Of which: cash and cash equivalents with restricted use by the parent or subsidiaries within the Group	0.00	0.00
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64. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: RMB

Item	Closing balance of foreign currencies	Conversion rate	Converted RMB Closing balance
Monetary Funds			
Among which: USD	27,560,813.15	7.0827	195,204,971.30
EUR	1,015,817.78	7.8592	7,983,515.10
HKD	1,434,479.84	0.9062	1,299,925.63
GBP	1,405,334.14	9.0411	12,705,766.49
CAD	21,655,244.51	5.3673	116,230,193.86
Ringgit	9,462,984.87	1.5415	14,587,191.18
JPY	960,000.00	0.0502	48,192.00
Accounts Receivable			
Among which: USD	11,427,945.10	7.0827	80,940,706.76
EUR	645,421.82	7.8592	5,072,499.17
HKD			
GBP	119,067.36	9.0411	1,076,499.91
Long-term borrowings			
Among which: USD			
EUR			
HKD			



Other Receivables			
Among which: USD	6,322,007.03	7.0827	44,776,879.19
EUR	1,307,397.43	7.8592	10,275,097.88
HKD	10,777.93	0.9062	9,766.96
CAD	19,230.28	5.3673	103,214.68
SGD	10.63	5.3772	57.16
Payables			
Among which: USD	794,596.10	7.0827	5,627,885.80
EUR	7,398,624.11	7.8592	58,147,266.61
HKD	13,550.00	0.9062	12,279.01
Other Payables			
Among which: USD	3,561.65	7.0827	25,226.10
EUR	778,408.53	7.8592	6,117,668.32
HKD	9,819.62	0.9062	8,898.54
SGD	1,748.00	5.3772	9,399.35

Other instructions:

(2) Instructions on the overseas operating entity, including the disclosure of the main overseas operating place, the bookkeeping base currency and the basis for selection for the important overseas operating entity, and the disclosure of the reasons for the change of the bookkeeping base currency.

Applicable Not applicable

VIII. R&D Expenditures

Unit: RMB

Item	Amount in the Current Period	Amount in the Previous Period
Employee compensation	271,506,208.57	255,598,896.05
Material expenses	231,080,371.50	214,119,199.27
Depreciation expenses	26,768,536.45	17,432,163.86



Process equipment development and manufacturing expenses	18,480,044.46	15,328,204.58
Patent fee	14,153,791.33	13,250,431.68
Fuel and power costs	6,446,722.93	4,775,624.48
Office allowance	4,687,164.79	4,413,702.67
Testing and laboratory processing fees	1,665,583.46	1,498,947.61
Other	30,862,663.95	29,898,766.91
Total	605,651,087.44	556,315,937.11
Of which: Expensed R&D expenditures	605,651,087.44	556,315,937.11
Capitalized R&D expenditures	0.00	0.00

1. R&D projects eligible for capitalization

Unit: RMB

Item	Opening Balance	Amount Increased in the Current Period			Amount Decreased in the Current Period			Closing Balance
		Internal development expenditure	Other		Recognized as intangible assets	Included in profit or loss for the current period		
Total								

Significant capitalized R&D projects

Item	R&D Progress	Estimated time of completion	Estimated economic benefits generation way	Start time of capitalization	Specific basis for starting capitalization



None					
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Depreciation reserves for R&D expenditures

Unit: RMB

Item	Opening Balance	Amount Increased in the Current Period	Amount Decreased in the Current Period	Closing Balance	Impairment Test
None					

2. Significant Outsourced R&D Projects

Project Name	Estimated economic benefits generation way	Criteria and specific basis of capitalization or expensing
None		

Other instructions:

None

IX. Changes in acquisition

1. Business combinations not under the same control

(1) Business acquisitions not under the same control in the current period

Unit: RMB

Name of the acquiree	Time point of equity acquisition	Cost of equity acquisition	Proportion of equity acquisition	Equity acquisition method	Acquisition date	Determination basis of acquisition date	Income of the acquiree from the acquisition date to the end of the period	Net profit of the acquiree from the acquisition date to the end of the period	Name of the acquiree
Sichuan Building Materials	August 1st, 2023	194,639,800.00	51.00%	Cash	August 1st, 2023	Completion of equity delivery	69,948,605.14	4,395,770.87	1,513,783.00



Other instructions:

(2) Goodwill and merger costs

Unit: RMB

Merger Cost	Sichuan Building Materials Company
--Cash	194,639,800.00
--Fair value of non cash assets	
--Fair value of debt issued or assumed	
--Fair value of equity securities issued	
--Fair value of contingent consideration	
--Fair value of equity held before the acquisition date on the acquisition date	164,680,074.28
--Others	
Total Merger Costs	359,319,874.28
Minus: fair value share of identifiable net assets obtained	165,028,390.13
Amount of goodwill / merger cost less than the fair value share of identifiable net assets obtained	194,291,484.15

Instructions on determination method of fair value of merger cost, contingent consideration and its changes:

Main reasons for the formation of large goodwill:

Other instructions:

(3) Identifiable assets and liabilities of the acquiree on the acquisition date

Unit: RMB

	Fair value on acquisition date	Book value on acquisition date
Assets:		
Monetary Funds	11,783,013.73	11,783,013.73



Accounts receivable	29,949,704.47	29,949,704.47
stock	15,931,080.01	15,931,080.01
Fixed assets	207,427,769.76	178,223,169.76
Intangible assets	60,986,680.26	33,093,480.26
Other non-current assets	27,168,402.77	27,168,402.77
Construction in process	82,434.81	82,434.81
Liabilities:		
Loans		
Accounts payable	45,728,207.35	45,728,207.35
Deferred tax liability	8,564,670.00	
Other payables	134,007,818.33	134,007,818.33
Net assets	165,028,390.13	116,495,260.13
Minus: minority shareholders' equity		
Net assets acquired	165,028,390.13	116,495,260.13

Determination method of fair value of identifiable assets and liabilities:

Contingent liabilities of the acquiree undertaken in business combination:

Other instructions:

(4) Gains or losses arising from the remeasurement of equity held before the purchase date at fair value

Is there any transaction in which the business combination is achieved in stages through multiple transactions and control is obtained during the reporting period?

Yes No

(5) Instructions on the merger consideration or the fair value of the acquiree's identifiable assets and liabilities that cannot be reasonably determined on the acquisition date or at the end of the current period of merger.

(6) Other instructions:



2. Business combinations under the same control

(1) Business combinations under the same control that occurred in the current period

Unit: RMB

Name of merged party	Proportion of equity obtained in business combination	Basis for a business combination under the same control	Merger date	Basis for determination of merger date	Income of the merged party from the beginning of the current period to the date of merger	Net profit of the merged party from the beginning of the current period to the date of merger	Income of the merged party during the comparison period	Net profit of the merged party during the comparison period

Other instructions:

(2) Merger cost

Unit: RMB

Merger costs	
--Cash	
--Book value of non-cash assets	
--Book value of debt issued or assumed	
--Face value of the equity securities issued	
--Contingent consideration	

Instructions on the contingent consideration and its changes:

Other instructions:

(3) Book value of the assets and liabilities of the merged party on the merger date

Unit: RMB

	Merger date	End of last period



Assets:		
Money funds		
Accounts receivable		
Inventory		
Fixed assets		
Intangible assets		
Liabilities:		
Loan		
Accounts payable		
Net assets		
Less: Minority interests		
Net assets acquired		

Contingent liabilities of the merged party assumed in a business merger:

Other instructions:

3. Reverse purchase

Basic information of the transaction, the basis for the transaction constituting a reverse purchase, whether the assets and liabilities retained by the listed company constitute a business and their basis, the determination of the merger cost, the amount of equity adjustment when dealing with equity transactions and its calculation:

4. Disposal of subsidiaries

Are there any transactions or events that result in the loss of control of subsidiaries during the current period?

Yes No



Unit: RMB

Subsidiary name	Disposal price when control is lost	Disposal ratio when control is lost	Disposal method when control is lost	Time when control is lost	Basis for judging when control is lost	Difference between the disposal price and the share of the subsidiary's net assets in the consolidated financial statement corresponding to the disposal investment	Proportion of remaining equity on the date of loss of control	Book value of remaining equity in the consolidated financial statement on the date of loss of control	Fair value of the remaining equity in the consolidated financial statement on the date of loss of control	Gains or losses arising from remeasurement of remaining equity at fair value	Method and main assumptions for determining the fair value of remaining equity in the consolidated financial statement on the date of loss of control	Amount of other comprehensive income related to the equity investment of the original subsidiary transferred to investment profits and losses or retained earnings
Shanghai Weiertai New Material Co.,Ltd	4,622,000.00	46.22%	Equity transfer	November 01, 2023	Equity delivery completed	4,898,419.77	45.78%	4,678,381.41	4,578,000.00	-100,381.41	Confirmed based on the equity transfer price	



Other instructions:

Is there any case that investments in subsidiaries are disposed of in stages through multiple transactions and control is lost in the current period?

Yes No

5. Changes in consolidation scope due to other reasons

Explain the changes in the scope of consolidation caused by other reasons (such as new subsidiaries, liquidation of subsidiaries, etc.) and the relevant information:

Newly established subsidiaries in 2023: Qingyuan Boyu Real Estate Investment Co., LTD., Changdao Oriental Yuhong Waterproof Technology Co., LTD., Wuhan Oriental Yuhong Jinghong Technology Engineering Co., LTD., ORIENTAL YUHONG INVESTMENT (SINGAPORE) PTE. LTD. 、 Inner Mongolia Oriental Yuhong New Material Co., LTD., Oriental Yuhong Home Furnishing Technology Co., LTD., and Zhejiang Oriental Yuhong Waterproof Technology Co., LTD.

Subsidiaries cancelled or disposed of in 2023: Zhejiang Oriental Yuhong Technology Development Co., LTD., Shanghai Weltai New Materials Co., LTD.

6. Others

None

X. Interest in other entities

1. Interest in subsidiaries

(1) Composition of business groups

Unit: RMB

Names of subsidiaries	Registered capital	Main operation base	Place of registry	Nature of business	Ratio of shareholding		Method of acquisition
					Direct	Indirect	
Beijing Oriental Yuhong waterproof engineering Co., Ltd	50,000,000.00	Beijing	Beijing	Waterproofing engineering and construction	100.00%	0.00%	①



Xiongan Dongfang Yuhong Construction Technology Co., Ltd	100,000,000.00	Hebei Province	Xiongan City, Hebei Province	Research and development of building materials, sales of waterproof anti-corrosion insulation engineering services, building decoration engineering construction services	100.00%	0.00%	①
Liaoning Oriental Yuhong Construction Technology Co., Ltd	50,000,000.00	Liaoning Province	Shenyang City, Liaoning Province	All kinds of engineering construction activities, import and export of goods technology, production and sales of waterproof and anticorrosive building materials	100.00%	0.00%	①



Henan Oriental Yuhong building Materials Technology Co., Ltd	50,000,000.00	Henan Province	Zhengzhou City, Henan Province	Building waterproof coil product manufacturing and sales, anticorrosive material sales, paint sales, paint manufacturing	100.00%	0.00%	①
Tianjin Oriental Yuhong waterproof engineering Co., Ltd	50,000,000.00	Tianjin City	Tianjin City	Building waterproof material sales and engineering construction	100.00%	0.00%	②
Tianjin Oriental Yuhong New Material Technology Co., Ltd	50,000,000.00	Tianjin City	Tianjin City	Waterproof and anticorrosive materials, insulation materials development , manufacturing and sales, waterproof construction, technical consulting and services, import and export of self-operated and agent goods and technologies	100.00%	0.00%	①



Tianjin Hongzhi New Material Co., Ltd	10,000,000. 00	Tianjin City	Tianjin City	Sales of waterproof materials, anti- corrosion materials, thermal insulation materials, building materials and construction equipment	100.00%	0.00%	①
Zhongke Jiantong Engineering Technology Co., Ltd	100,000,000 .00	Beijing	Beijing	Technical development , sales of building materials, decorative materials, labor subcontracti ng	100.00%	0.00%	①



Shanghai Honghao New material Co., Ltd	50,000,000. 00	Shanghai	Shanghai	Technology development , technical consultation, technology transfer, technical exchange, technical service and technology promotion in the field of waterproof material science and technology and new material science and technology	100.00%	0.00%	①
Starshine (Beijing) Building Materials Testing Co., Ltd.	10,000,000. 00	Beijing	Beijing	Building waterproof material testing and testing technology development and promotion	100.00%	0.00%	①



Beijing Wuzhou Tuyuan Import and Export Trade Co., Ltd	100,000,000 .00	Beijing	Beijing	Sales of goods, import and export of technology, import and export of goods, consulting, warehousing	100.00%	0.00%	②
Beijing Shunyi District Oriental Yuhong vocational skills training school	5,000,000.0 0	Beijing	Beijing	Business training	100.00%	0.00%	①
Beijing Oriental Yuhong Anticorrosio n Technology Co., Ltd	30,927,835. 00	Beijing	Beijing	Technology development Technology consulting Technology transfer Technology services Sales of anti- corrosion materials, building materials, decorative materials, machinery and equipment	67.90%		①



Shanghai Oriental Yuhong Waterproof Technology Co., Ltd	160,000,000.00	Shanghai	Shanghai	Waterproof and anticorrosive materials, thermal insulation materials development manufacturing sales construction	99.69%		①
Oriental Yuhong (Shanghai) Building Materials Co., Ltd	160,000,000.00	Shanghai	Shanghai	Building waterproof coil products, sales of thermal insulation materials sales, anti-corrosion materials sales of building materials sales of building decoration materials sales	100.00%		①



Shandong Oriental Yuhong Building Materials Technology Co., Ltd	100,000,000.00	Shandong Province	Jinan City, Shandong Province	Building waterproof coil products manufacturing and sales, anti-corrosion materials sales, thermal insulation materials sales	100.00%		①
Qingdao Oriental Yuhong Construction Technology Co., Ltd	30,000,000.00	Shandong Province	Qingdao, Shandong Province	Building waterproof coil products manufacturing and sales, anti-corrosion materials sales, thermal insulation materials sales	100.00%		①



Jiangxi Oriental Yuhong Construction Technology Co., Ltd	50,000,000.00	Jiangxi Province	Nanchang, Jiangxi Province	Technical import and export of goods, production and sales of waterproof and anticorrosive materials for buildings, technical services, sales of thermal and acoustic insulation materials	100.00%		①
Guangdong Oriental Yuhong waterproof engineering Co., Ltd	60,000,000.00	Guangdong Province	Guangzhou, Guangdong Province	Sales of waterproof materials, construction of waterproof engineering	100.00%		①
Shenzhen Oriental Yuhong waterproof engineering Co., Ltd	50,000,000.00	Guangdong Province	Shenzhen City, Guangdong Province	Waterproof and leak repair, construction, construction materials development and sales	100.00%		①
Sichuan Oriental Yuhong waterproof engineering	50,000,000.00	Sichuan Province	Chengdu, Sichuan Province	Building waterproof material sales and engineering	100.00%		①



Co., Ltd				construction			
Oriental Yuhong Building Materials (Guangdong) Co., Ltd	50,000,000.00	Guangdong Province	Guangzhou, Guangdong Province	Sales of wet mixed mortar, sales of ordinary mortar building materials, decorative materials, paint wholesale and retail	100.00%		①
Hainan Oriental Yuhong Building Materials Technology Co., Ltd	50,010,000.00	Hainan	Haikou City, Hainan Province	Waterproof building materials and coatings sales, technical services and consulting	100.00%		①
Guangdong Oriental Yuhong Building Materials Technology Co., Ltd	100,000,000.00	Guangdong Province	Guangzhou, Guangdong Province	Production and sales of waterproof building materials and coatings	100.00%		①



Oriental Yuhong Civil Building Materials Co., Ltd	400,000,000.00	Beijing	Beijing	Sales of building materials, all kinds of waterproof materials, building and industrial coatings, mortar materials decoration materials	100.00%		①
Hong Kong Oriental Yuhong Investment Co., Ltd	1,274,886,000.00	Hongkong	Hongkong	Trade, waterproof material sales, investment, consulting, training	100.00%		①
Fuda Energy Saving Technology Co., Ltd	100,000,000.00	Guangdong Province	Guangzhou, Guangdong Province	Sales of thermal insulation materials	100.00%		①



Wuniushan Energy Saving Group Co., Ltd	300,000,000.00	Guangdong Province	Guangzhou, Guangdong Province	Thermal insulation technology in the field of technology development , technical consulting, technology transfer, technical services building thermal insulation materials, building materials	83.72%		①
Oriental Yuhong Building Repair Technology Co., Ltd	50,000,000.00	Tianjin City	Suzhou City, Jiangsu Province	Undertake building decoration works, house repair, pipeline installation	94.00%		①
Oriental Yuhong Sand Powder Technology Group Co., Ltd.	300,000,000.00	Beijing	Beijing	Sales of building materials, hardware and electricity, non-metallic ores, mineral products	100.00%		①



Tiandingfen Holdings Limited	500,000,000.00	Anhui Province	Chuzhou City, Anhui Province	Nonwovens research and development, production, sales, import and export business	100.00%		①
Beijing Hongyun Kiev Material Supply Chain Management Co., Ltd	100,000,000.00	Beijing	Beijing	Technical development, economic information consulting, sales of building materials, decorative materials, machinery and equipment	100.00%		①
Yueyang Oriental Yuhong Waterproof Technology Co., Ltd	110,000,000.00	Hunan Province	Yueyang City, Hunan Province	Production and sales of waterproof, anticorrosive and thermal insulation, admixtures, building coatings, mortar and building equipment	86.36%	13.64%	①



Beijing Oriental Yuhong Supply Chain Management Co., Ltd	50,000,000.00	Beijing	Haikou City, Hainan Province	Road cargo transportation, loading and unloading, technical services, sales of building materials	100.00%		①
Nantong Jinsinan Film Material Co., Ltd	285,000,000.00	Jiangsu Province	Nantong City, Jiangsu Province	Goods technology import and export, plastic products manufacturing and sales, technical services	100.00%		①
Tangshan Oriental Yuhong Waterproof Technology Co., Ltd	300,000,000.00	Hebei Province	Tangshan City, Hebei Province	Technical development, sales of building materials, waterproof construction, import and export business	100.00%		①



Xianyang Oriental Yuhong Building Materials Co., Ltd	80,000,000.00	Shaanxi Province	Xianyang City, Shaanxi Province	Waterproof and anticorrosive materials, insulation materials development , manufacturing and sales, waterproof construction	100.00%		①
Wuhu Oriental Yuhong Building Materials Co., Ltd	50,000,000.00	Anhui Province	Wuhu City, Anhui Province	Production and sales of waterproof materials	100.00%		①
Hangzhou Oriental Yuhong Building Materials Co., Ltd	100,000,000.00	Zhejiang Province	Hangzhou, Zhejiang Province	Production, sales and construction of waterproof materials	100.00%		①
Qingdao Oriental Yuhong Building Materials Co., Ltd	50,000,000.00	Shandong Province	Qingdao, Shandong Province	Production and sales of waterproof materials	100.00%		①
Henan Oriental Yuhong Building Materials Co., Ltd	50,000,000.00	Henan Province	Puyang City, Henan Province	Production and sales of waterproof materials	100.00%		①



Jinzhou Oriental Yuhong Building Materials Co., Ltd	150,000,000.00	Liaoning Province	Jinzhou, Liaoning Province	Production and sales of waterproof coil coatings	100.00%		①
Jingmen Oriental Yuhong Building Materials Co., Ltd	50,000,000.00	Hubei Province	Jingmen City, Hubei Province	Technical services and sales of waterproof materials, anti-corrosion materials and thermal insulation materials	100.00%		①
Huizhou Oriental Yuhong Building Materials Co., Ltd	100,000,000.00	Guangdong Province	Huizhou City, Guangdong Province	Production and sales of waterproof, anticorrosive and thermal insulation building environment al protection materials, chemical products, construction machinery and equipment	100.00%		①



Zhejiang Oriental Yuhong Building Materials Technology Co., Ltd	50,000,000.00	Zhejiang Province	Hangzhou, Zhejiang Province	Building waterproof coil products manufacturing and sales, anti-corrosion materials sales, thermal insulation materials sales	100.00%		①
Kunming Fengxing Waterproof Material Co., Ltd	110,000,000.00	Yunnan Province	Kunming, Yunnan Province	Production and sales of waterproof materials, decorative materials and building materials	100.00%		②
Xuzhou Wuniushan New Waterproof Material Co., Ltd	100,020,000.00	Jiangsu Province	City, Jiangsu Province	Waterproof, anticorrosive, thermal insulation and other materials production and sales construction	100.00%		②



<p>Quanzhou Dongfang Yuhong Sand Powder Technology Co., Ltd.</p>	<p>5,000,000.00</p>	<p>Fujian Province</p>	<p>Quanzhou City, Fujian Province</p>	<p>Technical development , technical consultation, technical services, import and export of goods or technologies for the production of waterproof mortar, building materials, decorative materials and machinery and equipment</p>	<p>100.00%</p>		<p>①</p>
<p>Loudi Oriental Yuhong Sand Powder Technology Co., Ltd.</p>	<p>10,000,000.00</p>	<p>Hunan Province</p>	<p>Loudi City, Hunan Province</p>	<p>Production of mortar; Production of dry mixed mortar, ready-mixed mortar and concrete admixtures; Manufacture of waterproof building materials and building materials;</p>	<p>100.00%</p>		<p>①</p>



Zhanjiang Oriental Yuhong Sand Powder Technology Co., Ltd.	10,000,000.00	Guangdong Province	Zhanjiang City, Guangdong Province	All kinds of waterproof materials, anti-corrosion materials, insulation materials, lake asphalt materials, mortar materials and related building materials	100.00%		①
Xuchang Oriental Yuhong Building Materials Co., Ltd	50,000,000.00	Henan Province	Xuchang City, Henan Province	Waterproof and anticorrosive materials, insulation materials development , manufacturing and sales, waterproof construction	100.00%		①
Jilin Oriental Yuhong Building Materials Technology Co., Ltd	50,000,000.00	Jilin Province	Changchun City, Jilin Province	Building materials Wholesale Sales of green building materials Wholesale decoration materials (excluding paint) Paint	100.00%		①



				wholesale			
Chongqing Oriental Yuhong Building Materials Technology Co., Ltd	50,000,000.00	Chongqing City	Chongqing City	All kinds of engineering construction activities, import and export of goods technology, production and sales of waterproof and anti-corrosion materials for buildings, technical services, sales of thermal and acoustic insulation materials	100.00%		①



Oriental Yuhong Tile Roofing System Co., Ltd	100,000,000.00	Tianjin City	Tianjin City	Building materials sales Building, ceramic products sales, building waterproof coil products sales, synthetic materials sales, insulation materials sales, brick sales refractory materials sales, etc	60.00%		①
Oriental Yuhong Building Materials Co., Ltd	50,000,000.00	Tianjin City	Chongqing	Sales of building waterproofing membrane products, sales of anti-corrosion materials, sales of coatings, sales of insulation materials, sales of building materials	100.00%		①

<p>Guizhou Dongfang Yuhong Building Materials Technology Co., Ltd.</p>	<p>50,000,000.00</p>	<p>Guizhou Province</p>	<p>Guiyang City, Guizhou Province</p>	<p>New material technology research and development , new material technology promotion services, sales of lightweight building materials, sales of building blocks</p>	<p>100.00%</p>		<p>①</p>
<p>Jinsinnan Film (Shanghai) Technology Co., Ltd.</p>	<p>30,000,000.00</p>	<p>Shanghai</p>	<p>Shanghai</p>	<p>Engineering construction activities, construction engineering design, sales of new membrane materials, chemical products, synthetic materials, building materials, anti-corrosion materials, rubber products, and paper products</p>	<p>100.00%</p>		<p>①</p>



Lishui Oriental Yuhong Building Materials Technology Co., Ltd.	50,000,000.00	Zhejiang Province	Lishui City, Zhejiang Province	Research and development of new material technology, manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products, sales of anti-corrosion materials, manufacturing and sales of coatings, sales of thermal insulation materials, manufacturing and sales of heat insulation and sound insulation materials	100.00%		①
Hongtu Holdings (Beijing) Co., Ltd.	5,000,000.00	Beijing	Beijing	Business management, technology development	100.00%		①



Guizhou Oriental Yuhong Building Materials Co., Ltd.	425,000,000.00	Guizhou Province	Guiyang City, Guizhou Province	Manufacturing and sales of building waterproofing membrane products, coating manufacturing, building material production, anti-corrosion material sales, coating sales, insulation material sales, etc.	85.00%		①
Hainan Jujiang Technology Co., Ltd.	5,000,000.00	Hainan Province	Hainan Province directly under the jurisdiction of the county-level administrative division Chengmai County	Information technology consulting services Technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion	100.00%		①



Hongshi (Jiangsu) New Material Technology Co., Ltd.	1,000,000,0 00.00	Jiangsu Province	Yizheng City, Jiangsu Province	Specialty chemical product manufacturi ng Specialty chemical product sales Technical services, technology development , technical consultation, technology exchange, technology transfer, technology promotion	60.00%	40.00%	①
Shenzhen Oriental Yuhong Construction Robot Co., Ltd.	50,000,000. 00	Guangdong Province	Shenzhen City, Guangdong Province	R&D and sales of intelligent equipment, R&D and sales of engineering system components	100.00%		①



Guangxi Dongfang Yuhong Building Materials Technology Co., Ltd.	50,000,000.00	Guangxi Zhuang Autonomous Region	Nanning City, Guangxi Zhuang Autonomous Region	Sales of building waterproofing membrane products, sales of paint, manufacturing of building waterproofing membrane products, manufacturing of paint, sales of building materials, sales of insulation materials	100.00%		①
Tianjin Hongyue Cloud Technology Co., Ltd.	5,000,000.00	Tianjin City	Tianjin City	Technical services, technology development, information technology consulting services	100.00%		①



<p>Hongsheng (Beijing) New Energy Technology Co., Ltd.</p>	<p>100,000,000 .00</p>	<p>Beijing</p>	<p>Beijing</p>	<p>New energy technology development and sales of building materials, decorative materials, photovoltaic equipment and components, power facilities and equipment, research and development of electromech anical coupling systems, solar power generation technical services, research and development of high- efficiency energy- saving technologies in the power industry,</p>	<p>100.00%</p>	<p>①</p>
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Oriental Yuhong Pipe Technology Co., Ltd.	200,000,000 .00	Tianjin	Tianjin	New material technology research and development , coating sales, building waterproofin g membrane product sales,	100.00%		①
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Chenzhou Oriental Yuhong Building Materials Technology Co., Ltd.	50,000,000.00	Hunan Province	City, Hunan Province	Manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products, manufacturing of coatings, sales of coatings, sales of anti-corrosion materials, research and development of new material technologies, sales of thermal insulation materials, manufacturing of thermal insulation and sound insulation materials, sales of thermal insulation and sound	100.00%		①
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<p>Wuhan Oriental Yuhong Science and Technology Construction Materials Co., Ltd.</p>	<p>250,000,000.00</p>	<p>hubei province</p>	<p>Wuhan, Hubei</p>	<p>Manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products, manufacturing of coatings, sales of coatings, sales of anti-corrosion materials, research and development of new material technology, sales of thermal insulation materials, manufacturing of thermal insulation and sound insulation materials, sales of thermal insulation and sound</p>	<p>90.00%</p>		<p>①</p>
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<p>Yangzhou Dongfang Yuhong New Materials Co., Ltd.</p>	<p>50,000,000.00</p>	<p>Jiangsu Province</p>	<p>Yangzhou City, Jiangsu Province</p>	<p>Manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products, manufacturing of coatings, sales of coatings, sales of anti-corrosion materials, research and development of new material technology, sales of thermal insulation materials, manufacturing of thermal insulation and sound insulation materials, sales of thermal insulation and sound</p>	<p>100.00%</p>		<p>①</p>
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Hongjia Industrial Coatings Co., Ltd.	500,000,000.00	Tianjin	Tianjin	Paint sales,	100.00%		①
Fujian Oriental Yuhong Building Materials Technology Co., Ltd.	50,000,000.00	Fujian Province	Fuzhou city of Fujian	New material technology research and development , building waterproofing membrane product manufacturing, building waterproofing membrane product sales	100.00%		①
Hongtu Holdings (Xuzhou) Co., Ltd.	1,000,000.00	Jiangsu Province	Xuzhou City, Jiangsu Province	Inspection and testing services, enterprise management consulting, engineering management services,	100.00%		①



Nanning Oriental Yuhong Waterproof Materials Co., Ltd.	64,580,600.00	Guangxi Zhuang Autonomous Region	Nanning City, Guangxi Zhuang Autonomous Region	Manufacturing of new building materials, manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products, manufacturing of coatings, sales of coatings, sales of anti-corrosion materials, research and development of new material technology, sales of insulation materials,	100.00%		①
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<p>Fuzhou Dongfang Yuhong Building Materials Co., Ltd.</p>	<p>50,000,000.00</p>	<p>Fujian Province</p>	<p>Fuzhou city of Fujian</p>	<p>Manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products, manufacturing of coatings, sales of coatings, sales of anti-corrosion materials, research and development of new material technology, sales of thermal insulation materials, manufacturing of thermal insulation and sound insulation materials, sales of thermal insulation and sound</p>	<p>90.00%</p>		<p>①</p>
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Hubei Yuhong Xingfa New Materials Co., Ltd.	33,000,000.00	Hubei Province	Yichang City, Hubei Province	Sealant manufacturing, special chemical product sales, building material sales, synthetic material sales, building decoration material sales, chemical product sales	69.09%		③
Guangdong Oriental Yuhong Real Estate Investment Co., Ltd.	50,000,000.00	Guangdong Province	Guangzhou, Guangdong	Consulting, services, and own capital investment	100.00%		①
Nanjing Hongshan Construction Development Co., Ltd.	50,000,000.00	Jiangsu Province	Nanjing, Jiangsu Province	Construction engineering, sales and leasing of owned houses, property management	100.00%		①



Qingyuan Boyu Real Estate Investment Co., Ltd.	115,127,460.00	Guangdong Province	Guangzhou, Guangdong	Engage in investment activities with own funds; asset evaluation; property service evaluation; commercial complex management services;	100.00%		①
Jiangsu Oriental Yuhong Investment Co., Ltd.	50,000,000.00	Jiangsu Province	Kunshan City, Jiangsu Province	Waterproof material sales, project investment, goods import and export	100.00%		①
Hongyi Enterprise Services Co., Ltd.	1,000,000.00	Shandong Province	Beijing	Enterprise management , human resources services, conference and exhibition services, etiquette services, market research, translation services, graphic design and production,	94.00%		①



				etc.			
Oriental Yuhong (America) Developments.Ltd	77,858,597.60	America	Pennsylvania	Researching about Waterproof Materials	100.00%		①



<p>Ningxia Architectural Design and Research Institute Co., Ltd.</p>	<p>40,000,000.00</p>	<p>Ningxia Hui Autonomous Region</p>	<p>Yinchuan City, Ningxia Hui Autonomous Region</p>	<p>Industrial and civil construction engineering and municipal engineering design, highway special design, electric power special design, landscape design, urban planning engineering survey and measurement, geotechnical engineering construction foundation inspection, main structure inspection, construction drawing review, project contracting and supervision technology</p>	<p>71.90%</p>		<p>③</p>
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				development and consultation service			
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Xuzhou Dongfang Yuhong New Materials Co., Ltd.	54,663,300.00	Jiangsu Province	Xuzhou City, Jiangsu Province	New material technology research and development , sealing packing manufacturing, coating manufacturing, and coating sales	100.00%		①
Hefei Oriental Yuhong Building Materials Co., Ltd.	100,000,000.00	Anhui Province	Hefei City, Anhui Province	Manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products	100.00%		①
Changdao Oriental Yuhong Waterproof Technology Co., Ltd.	100,000.00	Shandong Province	Yantai City, Shandong Province	Manufacturing of building waterproofing membrane products; sales of thermal insulation and sound insulation materials;	100.00%		①



Wuhan Dongfang Yuhong Jinghong Technology Engineering Co., Ltd.	10,000,000.00	hubei province	Wuhan, Hubei	Engineering and technology research and experimental development , carbon emission reduction	100.00%		①
Beijing Gengdu Home Investment Co., Ltd.	500,000,000.00	Beijing	Beijing	Business management consulting	100.00%		①
Oriental Yuhong Investment (SINGAPORE) (Pte.) Ltd.	5,377.20	Singapore	Singapore	Sales of Waterproof Materials and Investment	100.00%		①
Hubei Oriental Yuhong Building Materials Technology Co., Ltd.	50,000,000.00	Hubei province	Wuhan, Hubei	Manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products,	52.00%		①



Handan Oriental Yuhong Building Materials Co., Ltd.	10,000,000.00	Hebei Province	Handan City, Hebei Province	Sales of construction waterproofing membrane products, anti-corrosion materials, and coatings	51.00%		①
Cangzhou Dongfang Yuhong Construction Technology Co., Ltd.	10,000,000.00	Hebei Province	Cangzhou City, Hebei Province	Manufacturing of new building materials, manufacturing of building waterproofing membrane products,	52.00%		①
Shanghai Oriental Yuhongpu New Materials Sales Co., Ltd.	10,000,000.00	Shanghai	Shanghai	Sales of building materials, sales of building decoration materials, sales of building waterproofing membrane products, sales of insulation materials,	100.00%		①



Hunan Oriental Yuhong Building Materials Co., Ltd.	50,000,000.00	Hunan Province	Changde City, Hunan Province	Engineering waterproofing materials, anti-corrosion materials, thermal insulation materials	100.00%		①
Inner Mongolia Oriental Yuhong New Materials Co., Ltd.	10,000,000.00	Inner Mongolia Autonomous Region	Inner Mongolia Autonomous Region	Paint manufacturing, new material technology research and development	100.00%		①
Xinjiang Oriental Yuhong Building Materials Technology Co., Ltd.	50,000,000.00	Xinjiang Uygur Autonomous Region	Urumqi, Xinjiang	Sales of building materials, sales of insulation materials, sales of paint,	100.00%		①
Tianjin Hongde New Materials Co., Ltd.	5,000,000.00	Tianjin City	Tianjin City	Waterproof materials, anti-corrosion materials, thermal insulation materials	100.00%		①



Heilongjiang Oriental Yuhong Building Materials Technology Co., Ltd.	50,000,000.00	Heilongjiang Province	Harbin City, Heilongjiang Province	New material technology research and development, construction waterproofing membrane product manufacturing	100.00%		①
Tianjin Oriental Yuhong New Materials Co., Ltd.	100,000,000.00	Tianjin City	Tianjin City	Manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products	65.00%		①
Oriental Yuhong Home Technology Co., Ltd.	10,000,000.00	Tianjin City	Tianjin City	Technology import and export; sanitary ware sales; sanitary ware manufacturing;	100.00%		①



Zhejiang Oriental Yuhong Waterproof Technology Co., Ltd.	50,000,000.00	Zhejiang Province	Hangzhou, Zhejiang	Research and development of new material technology; manufacturing of building waterproofing membrane products;	100.00%		①
Guangzhou Dongfang Yuhong Sand Powder Technology Co., Ltd.	10,000,000.00	Guangdong Province	Guangzhou, Guangdong	Manufacturing of cement products, sales of non-metallic minerals and products	100.00%		①
Sichuan Oriental Yuhong Building Materials Co., Ltd. (hereinafter referred to as "Sichuan Building Materials")	50,000,000.00	Sichuan Province	Deyang City, Sichuan Province	Manufacturing of building waterproofing membrane products; coating manufacturing	100.00%		③

Unit: RMB

Statements regarding when the proportion of shareholding is not consistent with that of voting rights in the subsidiary:

Basis for holding half or less of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee: for important structured subjects included in the scope of merger, the basis for control: the basis for determining whether the



company is an agent or a principal: Other instructions: acquisition method: ① through establishment or investment, ② business merger under the same control, and ③ business merger under different control.

(2) Important non-wholly owned subsidiaries

Unit: RMB

Names of subsidiaries	Ratio of shareholdings by minority shareholders	Profit and loss to minority shareholders of the current period	Dividend on shares declared to minority shareholders of the current period	End-period balance of interest to minority shareholders
Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	0.31%	-2,290,658.25		-189,026.79

Statements regarding when the proportion of shareholding held by minority shareholders is not consistent with that of voting rights in the subsidiary:

Other instructions:

(3) Main financial information on important non-wholly owned subsidiaries

Unit: RMB

Names of subsidiaries	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total Liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total Liabilities
Shanghai Oriental Yuhong Waterproof Technology Co.	5,070,448,251.12	888,904,509.46	5,959,352,760.58	4,124,254,162.72	269,201,754.47	4,124,523,364.47	7,149,144,343.65	761,790,440.99	7,910,934,784.64	6,205,401,384.52	467,788.80	6,205,869,173.32



Ltd.												
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Unit: RMB

Names of subsidiaries	Current period incurred				Previous period incurred			
	Operating revenue	Net profit	Comprehensive income	Cash generated from operating activities	Operating revenue	Net profit	Comprehensive income	Cash generated from operating activities
Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	4,520,016,219.34	170,810,464.60	170,810,464.60	258,712,922.81	5,888,475,002.87	201,486,426.09	201,486,426.09	62,221,176.03

Other instructions:

(4) Significant restrictions on the use of enterprise group assets and the settlement of enterprise group debts

(5) Financial support or other support provided to structured entities included in the scope of consolidated financial statements

Other instructions:



2. Transactions in which the share of owner's equity in a subsidiary changes and the subsidiary is still controlled

(1) Description of changes in the share of owner's equity in the subsidiary

The Company originally held 60% of the equity of Hubei Yuhong Xingfa New Materials Co., Ltd. (hereinafter referred to as Hubei Xingfa). In June 2023, the Company signed an equity transfer agreement with Hubei Silicon Xing Venture Capital Partnership (Limited Partnership) which transferred 9.0606% of the equity of Hubei Xingfa to the Company at a transfer price of RMB 3.1889 million. When the transfer was completed, the Company held 69.0606% of the equity of Hubei Xingfa. This transaction resulted in an increase of RMB 20,100 in the Company's capital reserve and a decrease of RMB 20,100 in minority shareholders' equity.

Woniushan Energy Saving Group Co., Ltd., a subsidiary of the Company, originally held 53% of the equity of Shanghai Yanghe New Material Technology Co., Ltd. (hereinafter referred to as Shanghai Yanghe) under the cost method. In this period, Woniushan Energy Saving Group Co., Ltd., a subsidiary of the Company, further acquired a 47% stake in Shanghai Yanghe. This transaction resulted in a decrease of RMB 45.9287 million in capital reserves and a decrease of RMB 45.9287 million in minority shareholders' equity.

(2) Impact of the transaction on minority shareholders' equity and owners' equity attributable to the parent company

Unit: RMB

	Hubei Xingfa	Shanghai Yanghe
Purchase Cost/Disposal Consideration	3,188,899.84	
--Cash	3,188,899.84	
--Fair value of non-cash assets		
Total of Purchase Cost/Disposal Consideration	3,188,899.84	
Minus: Share of net assets of a subsidiary based on the proportion of equity acquired/disposed of	3,208,955.40	45,928,653.42
Difference	20,055.56	45,928,653.42



Of which: Adjustment of capital reserves	20,055.56	45,928,653.42
Adjustment of surplus reserves		
Adjustment of undistributed profits		

Other instructions:

3. Interest in joint venture or affiliated business

(1) Important joint ventures or associates

Names of joint ventures or associates	Main place of business	Registration	Business nature	Shareholding ratio		Accounting for investments in joint ventures or associates
				Direct	Indirect	

Explanation of the shareholding ratio in joint ventures or associates being different from the voting rights ratio:

Basis for holding less than 20% of the voting rights but having significant influence, or holding 20% or more of the voting rights but not having significant influence:

(2) Major Financial Information on Key Joint Ventures

Unit: RMB

	Closing balance/Amount in the current period	Opening balance/Amount in the last period
Current assets		
Of which: Cash and Cash Equivalents		
Non-current assets		
Total assets		
Current liabilities		



Non-current liabilities		
Total Liabilities		
Minority shareholders' equity		
Equity attributable to the shareholders of parent company		
Share of net assets by shareholding ratio		
Adjustments		
--Goodwill		
--Unrealized profit from internal transactions		
--Others		
Book value of equity investments in associates		
Fair value of equity investments in associates with publicly quoted prices		
Operating income		
Financial Expenses		
Income Tax Expenses		
Net profit		
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income		
Dividends received from associates		



during the year		
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Other instructions

(3) Main financial information of important associates

Unit: RMB

	Closing balance/Amount in the current period	Opening balance/Amount in the last period
		Sichuan Oriental Yuhong Building Materials Co., Ltd.
Current assets		183,744,344.52
Non-current assets		231,283,108.04
Total assets		415,027,452.56
Current liabilities		190,965,190.09
Non-current liabilities		101,681,250.00
Total Liabilities		292,646,440.09
Net assets		122,381,012.47
Minority shareholders' equity		
Equity attributable to the shareholders of parent company		122,381,012.47
Share of net assets by shareholding ratio		59,966,696.11
Adjustments		107,619,610.07
--Goodwill		
--Unrealized profit from internal transactions		
--Others		107,619,610.07
Book value of equity investments in		167,586,306.18



associates		
Fair value of equity investments in associates with publicly quoted prices		
Operating income		620,299,642.79
Net profit		12,614,716.97
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income		12,614,716.97
Dividends received from associates during the year		5,244,188.37

Other instructions:

(4) Consolidated financial information on non-important joint venture and affiliated business

Unit: RMB

	Closing balance/amount accrued during this period	Opening balance/amount accrued during last period
Joint venture		
Total book value of investment	81,699,491.92	32,408,152.28
Total sum by ratios of shareholdings		
--Net profit	3,101,561.19	252,292.31
Affiliated business		
Total sum by ratios of shareholdings		

Other instructions:

**(5) Description of significant restrictions on the ability of the joint venture or associated enterprise to transfer funds to the Company****(6) Excess losses incurred by the joint venture or associated enterprise**

Unit: RMB

Name of joint venture or associated enterprise	Accumulated unrecognized losses in the previous period	Unrecognized losses in the current period (or net profit shared in the current period)	Accumulated unrecognized losses at the end of the period

Other instructions:

(7) Unrecognized commitments related to investments in joint ventures**(8) Contingent liabilities related to investments in joint ventures or associated enterprises****4. Key Joint Ventures**

Name of Joint Venture	Principal Place of Business	Place of Registration	Business Nature	Shareholding Ratio/Share Enjoyed	
				Direct	Indirect

Explain the proportion of shares held or enjoyed in the joint venture is different from the proportion of voting rights:

If a joint venture is a separate entity, the basis for classifying it as a joint venture is as follows:

Other instructions:

5. Equity in structured entities not included in the scope of consolidated financial statements

Description on structured entities not included in the scope of consolidated financial statements:

6. Others**XI. Government Subsidies****1. Government grants recognized as receivable at the end of the reporting period**

Applicable Not applicable

Reasons for not receiving the expected amount of government subsidies at the expected time

Applicable Not applicable

2. Liabilities involving government subsidies

Applicable Not applicable

Unit: RMB



Accounting subjects	Opening Balance	Amount of new subsidy in the current period	Amount included in non-operating income in the current period	Amount transferred to other income in the current period	Other changes in the current period	Ending balance	Related to assets/income
Deferred income	371,284.62			139,231.56		232,053.06	Asset related
Deferred income		343,900.00		71,645.80		272,254.20	Asset related
Deferred income	6,421,513.99	4,952,480.00		206,928.74		11,167,065.25	Asset related
Deferred income		18,000,000.00		33,457.25		17,966,542.75	Asset related
Deferred income		1,400,000.00		72,916.65		1,327,083.35	Asset related
Deferred income	20,788,197.78			1,097,173.44		19,691,024.34	Asset related
Deferred income	25,858,333.29			2,900,000.04		22,958,333.25	Asset related
Deferred income	2,519,165.45			795,525.87		1,723,639.58	Asset related
Deferred income	1,590,909.13			381,818.16		1,209,090.97	Asset related
Deferred income	491,249.93			491,249.93			Asset related
Deferred income	1,106,666.71			159,999.99		946,666.72	Asset related
Deferred income	513,333.37			219,999.99		293,333.38	Asset related
Deferred income	2,709,383.29			759,800.01		1,949,583.28	Asset related



Deferred income	2,700,000.00			540,000.00		2,160,000.00	Asset related
Deferred income	13,793,134.92			1,097,815.08		12,695,319.84	Asset related
Deferred income	308,333.37			99,999.96		208,333.41	Asset related
Deferred income	88,794,399.96			5,223,200.04		83,571,199.92	Asset related
Deferred income	14,128,499.99			905,999.99		13,222,500.00	Asset related
Deferred income	551,000.00			114,000.00		437,000.00	Asset related
Deferred income		6,000,000.00		137,500.00		5,862,500.00	Asset related
Deferred income		270,000.00				270,000.00	Asset related
Deferred income	4,311,060.04			718,509.96		3,592,550.08	Asset related
Deferred income	1,929,999.96			386,000.04		1,543,999.92	Asset related
Deferred income	3,803,800.04			543,399.96		3,260,400.08	Asset related
Deferred income		4,795,301.34		51,378.24		4,743,923.10	Asset related
Deferred income		267,100.00		40,065.03		227,034.97	Asset related
Deferred income	1,268,750.00			75,000.00		1,193,750.00	Asset related
Deferred income		1,235,000.00		43,783.30		1,191,216.70	Asset related
Deferred income	41,571,875.16			2,668,507.92		38,903,367.24	Asset related



Deferred income	36,549,763.41			3,174,228.00		33,375,535.41	Asset related
Deferred income	7,334,827.50	14,920,600.00		724,167.45		21,531,260.05	Asset related
Deferred income		500,000.00		25,000.02		474,999.98	Asset related
Deferred income	19,332,163.60			637,924.92		18,694,238.68	Asset related
Deferred income		4,946,600.00		206,108.35		4,740,491.65	Asset related
Deferred income	10,737,464.98			1,204,201.68		9,533,263.30	Asset related
Deferred income		310,000.00		56,833.37		253,166.63	Asset related
Deferred income		2,143,700.00		71,456.68		2,072,243.32	Asset related
Deferred income	18,000,000.00			4,500,000.00		13,500,000.00	Asset related
Deferred income		1,980,000.00		99,000.00		1,881,000.00	Asset related
Deferred income	46,411,226.08			2,396,123.16		44,015,102.92	Asset related
Deferred income	18,973,619.96			2,108,180.04		16,865,439.92	Asset related
Deferred income	4,886,441.47			492,750.36		4,393,691.11	Asset related
Deferred income		34,845,538.00		2,611,500.03		32,234,037.97	Asset related
Deferred income	5,037,210.03			559,689.96		4,477,520.07	Asset related
Deferred income	2,063,489.75			208,083.00		1,855,406.75	Asset related



Deferred income		5,180,000.00		388,500.03		4,791,499.97	Asset related
Deferred income	7,680,000.00			1,920,000.00		5,760,000.00	Asset related
Deferred income	14,875,000.00			1,477,666.63		13,397,333.37	Asset related
Deferred income	31,568,333.35			1,634,333.33		29,934,000.02	Asset related
Deferred income		16,000,000.00		333,333.35		15,666,666.65	Asset related
Deferred income	7,822,000.12			1,273,999.95		6,548,000.17	Asset related
Deferred income	3,000,000.00			300,000.00		2,700,000.00	Asset related
Deferred income	16,919,700.04			1,127,979.96		15,791,720.08	Asset related
Deferred income	89,553,025.38			1,304,465.04		88,248,560.34	Asset related
Deferred income	1,007,250.00			51,000.00		956,250.00	Asset related
Deferred income	1,000,000.00			50,000.04		949,999.96	Asset related
Deferred income	24,030,069.76			492,083.40		23,537,986.36	Asset related
Deferred income		14,040,000.00		58,500.00		13,981,500.00	Asset related
Deferred income	4,988,260.80			2,394,365.16		2,593,895.64	Asset related
Deferred income	3,123,147.48			1,205,941.44		1,917,206.04	Asset related
Deferred income		328,698.66		8,217.48		320,481.18	Asset related

**3. Government subsidies included in current profits and losses**

☑Applicable ☐ Not applicable

Unit: RMB

Accounting account	Amount incurred this period	Amount incurred last period
Other income	1,050,000.00	540,000.00
Other income	3,000,000.00	1,000,000.00
Other income	2,114,000.00	2,341,000.00
Other income	3,000,000.00	3,000,000.00
Other income	1,539,384.60	8,916,357.10
Other income	15,927,301.73	9,488,254.06
Other income	13,784,600.00	11,790,000.00
Other income	2,233,195.00	16,161,700.00
Other income	10,277,491.00	19,822,421.79
Other income	172,950,000.00	172,620,000.00
Other income	38,800,000.00	19,822,421.79
Other income	3,560,000.00	16,161,700.00
Other income	10,600,000.00	
Other income	4,251,968.90	
Other income	5,355,300.00	
Other income	8,550,000.00	
Other income	3,687,665.00	
Other income	1,722,431.00	
Other income	1,118,849.25	
Other income	85,347,629.66	
Other income	2,108,180.04	2,108,180.04
Other income	4,500,000.00	4,500,000.00
Other income	2,900,000.04	2,900,000.04



Other income	5,223,200.04	5,223,200.00
Other income	2,394,365.16	2,394,365.28
Other income	3,174,228.00	3,217,977.94
Other income	2,668,507.92	2,668,507.92
Other income	76,665,891.04	146,848,459.17

Other instructions:

XII. Risks Associated with Financial Instruments

1. Various risks arising from financial instruments

The main financial instruments of the Company include monetary funds, notes receivable, accounts receivable, receivable financing, other receivables, contract assets, tradable financial assets, debt investment, investment in other equity instruments, other non-current financial assets, short-term borrowing, notes payable, accounts payable, contract liabilities, other payables, non-current liabilities due within one year, long-term borrowing, lease obligations, and long-term payables. Details of each financial instrument have been disclosed in the relevant notes. The risks associated with these financial instruments and the risk management policies adopted by the Company to mediate these risks are described below. The management of the Company manages and monitors these risk exposures to ensure that the above risks are controlled within a limited range.

1.1 Risk management goals and policies

The main risks caused by the Company's financial instruments are risks in credit, liquidity, and market (including risks in exchange rate, interest rate, and commodity price).

The Company diversifies financial instrument risks through appropriate diversification of investments and business portfolios, and reduces risks in a single industry, region or counterparty by formulating corresponding risk management policies.

(1) Credit risks

Credit risks refer to the risks that the counter party fails to fulfill its contractual obligations, resulting in financial losses to the Company.

The group manages the credit risks by the categories of portfolios. Credit risks mainly rise from bank deposits, notes receivable, accounts receivable, other receivables, long-term receivables, etc.

Bank deposits of the Company are mainly deposited in state-owned banks and other large and medium-sized listed banks. Thus, it is estimated that there is no significant credit risks with bank deposits.



For notes receivable, accounts receivable, other receivables and long-term receivables, the Company has formulated regarding policies to control the credit risk exposures. Based on their financial situation, credit records and other factors (e.g. the status quo of the market), the group assesses debtors' credit qualification and sets the credit limit and credit term accordingly. The group will monitor the debtor's credit records regularly. For those with a bad credit record, the group will take measures in terms of written reminders for payment, shortening or canceling the credit terms, to ensure that the overall credit risk is under control.

The debtors of the Company's accounts receivable are customers located in different industries and regions. The Company continues to conduct credit assessments on the financial status of accounts receivable and purchases credit and guarantee insurance when applicable.

The Company's maximum exposure to credit risk is the carrying amount of each financial asset on the balance sheet. The Company has not provided any other guarantees that may expose the Company to credit risk.

Among the accounts receivable of the group, the accounts receivable of the top 5 debtor clients account for 20.81% of the total (2022: 24.62%); among the other receivables, the receivables from top 5 debtors account for 46.11% of the total (2022: 46.11%)

(2) Liquidity risks

Liquidity risks refer to the risks of capital shortage when the group fulfills its obligation with settlements methods of cash delivery or other financial assets.

To manage the liquidity risks, the group holds cash and cash equivalents deemed sufficient by the management, to meet the needs required by the operation of the group, and to reduce the impact of cash flow fluctuations. The group management monitors the use of the bank borrowing and ensures to fulfill the loan agreement. In the meanwhile, they get promises from major financial institutions for providing sufficient funds, to meet short-and-long term funding demands.

The group funds its operation by profits gained from business operation, banks and other borrowings. On December 31, 2023, the remaining credit limit from the banks stood at RMB 15,288,909,800.00 (On December 31, 2022: RMB 10,465,682,100.00)

Analysis of the maturities of the financial assets and liabilities undiscounted as remaining contracted cash flow the group holds at the end of the reporting period is as follows (unit: RMB 10,000)

Item	Amount at the end of the period			
	Within 1 year	1-2 years	Over 2 years	Total



Financial liabilities:				
Short-term borrowing	499,862.45	-	-	499,862.45
Notes payable	81,824.08	-	-	81,824.08
Accounts payable	347,905.22	-	-	347,905.22
Other payables:	543,430.21	-	-	543,430.21
Other current liabilities (excluding deferred income)	39,251.88	-	-	39,251.88
Long-term borrowings	26,758.94	75,000.00	95,867.02	197,625.96
Long term accounts payable	146.00	146.00	5,110.00	5,402.00
Financial liabilities in total	1,538,990.22	75,146.00	100,831.02	1,715,113.24

The analysis of the maturities of the financial assets and liabilities and off-balance sheet guarantee items undiscounted as remaining contracted cash flow the Company holds at the beginning of the reporting period is as follows (unit: RMB10,000)

Item	Amount at the end of the period			
	Within 1 year	1-2 years	Over 2 years	Total
Financial liabilities:				
Short-term borrowing	625,433.09	-	-	625,433.09
Notes payable	58,825.25	-	-	58,825.25
Accounts payable	390,093.40	-	-	390,093.40
Other payables:	618,635.23	-	-	618,635.23
Other current liabilities (excluding deferred income)	37,902.09	-	-	37,902.09
Long-term borrowings	33,000.00	5,000.00	71,192.05	109,192.05
Long term accounts payable	297.68	146.00	4,958.32	5,402.00
Financial liabilities in total	1,764,186.74	5,146.00	76,150.37	1,845,483.11

The amounts of financial liabilities disclosed in the above table are undiscounted contractual cash flows and therefore may differ from the carrying amounts in the balance sheet.



The maximum guarantee amount of the signed guarantee contract does not represent the amount to be paid.

(3) Risk

Market risks of financial instruments refer to risks caused by the fluctuation of fair values or future cash flow caused by market price development, mainly including IRR, RX risk and other price risks.

IRR

IRR refers to the risk of fluctuation of fair value or future cash flow of financial instruments caused by changes in market interest. IRR could originate from both recognized and unrecognized financial instruments (such as certain loan commitment).

The Company's interest rate risk mainly arises from long-term interest-bearing debt such as long-term bank borrowings and bonds payable. Financial liabilities with floating interest rates expose the Company to cash flow interest rate risks, while financial liabilities with fixed interest rates expose the Company to fair value interest rate risks. The Company determines the relative proportions of fixed-rate and floating-rate contracts based on the prevailing market environment, and maintains an appropriate portfolio of fixed-rate and floating-rate instruments through regular review and monitoring.

The Company pays close attention to the influence of changes in interest rate on the IRR of the Company. The Company currently has not adopted any policies on interest rate hedging. Rising interest rates will increase the cost of new interest-bearing debt and the Company's outstanding debt. The interest expenses of interest-bearing debt with floating interest rates will have a significant adverse impact on the Company's financial performance. Based on the latest market conditions, the management will make timely adjustments which may be interest rate swaps to reduce interest rate risk.

Interest-bearing financial instruments held by this Company (unit: RMB million):

Item	Numbers of projects this year	Numbers of projects last year
Financial instruments with a fixed interest rate		
Financial liabilities	479,862.45	524,277.38
Short-term borrowing	479,862.45	524,277.38
Total	479,862.45	524,277.38

Financial instruments with a floating interest rate		
Financial assets	911,950.07	1,053,921.68
Monetary capital	911,950.07	1,053,921.68
Financial liabilities	217,625.95	210,405.32
Short-term borrowing	20,000.00	101,155.71
Long-term borrowing	197,625.95	109,249.61
Total	1,129,576.02	1,264,327.00

For financial instruments held on the balance sheet date that expose the Company to fair value interest rate risk, the impact on net profit and shareholders' equity in the above sensitivity analysis is based on the impact of remeasurement of financial instruments assuming that interest rates change on the balance sheet date. For floating rate non-derivative instruments held on the balance sheet date that expose the Company to cash flow interest rate risk, the impact on net profit and shareholders' equity in the above sensitivity analysis is the impact of the above interest rate changes on the annual estimated interest expense or income. The previous year's analysis was made based on the same assumption and method.

Currency rate risks

Currency risks refer to the risks due to fluctuation of fair value of financial instruments or future cash flow caused by foreign exchange rate changes. Currency rate risks can rise from financial instruments valued by foreign currencies instead of the recording currency for accounting. The operation of the group runs mainly in mainland China, with the settlements done with RMB.

Exchange rate risk is mainly due to the impact of the Company's financial position and cash flows on foreign exchange rate fluctuations. Except for the subsidiaries established in Hong Kong that hold assets settled in Hong Kong dollars, the Company only has a small investment business in the Hong Kong market and the proportion of the Company's foreign currency assets and liabilities to its overall assets and liabilities is not significant. Therefore, the Company believes that its exchange rate risk is not significant.

On December 31, 2023, the foreign currency assets and foreign currency liabilities discounted as RMB are listed as follows (unit: RMB 10,000) :

Item	Foreign currency liabilities	Foreign currency assets
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	Amount at the beginning of the period	Amount at the end of the period	Amount at the	Amount at the end of the period
USD	565.31	47,105.87	32,092.26	11,239.74
EUR	6,426.49	1,230.42	2,333.11	5,074.13
BYP	-	-	1,378.23	874.10
HKD	2.12	8.66	130.97	157.45
CAD	-	-	11,633.34	11,073.43
Ringgit	-	4,442.33	1,458.72	2,753.40
JPY	-	-	4.82	-
SGD	0.94	-	0.01	-
Total	6,994.86	52,787.28	49,031.46	31,172.25

The group follows closely on the currency rate risks which could be brought by currency rate fluctuations. For now, the group has not yet taken any measures to avoid currency rate risks. However, the management is responsible for monitoring the currency rate risks and will consider to hedge major currency rate risks when necessary.

With other variables unchanged, the possible reasonable change of the currency rate of foreign currencies to RMB will have an impact of the profits and losses after taxes as shown below (Unit: RMB 10,000)

Profits after tax plus(minus)	Amount for this year		Amount for last year	
USD currency rate plus	5%	1,475.79	5%	652.94
USD currency rate minus	-5%	-1,475.79	-5%	-652.94
EUR currency rate plus	3%	-81.13	3%	-4.81
EUR currency rate minus	-3%	81.13	-3%	4.81
CAD currency rate plus	4%	465.29	4%	321.92
CAD currency rate minus	-4%	-465.29	-4%	-321.92
HKD currency rate plus	5%	2.77	5%	11.37
HKD currency rate minus	-5%	-2.77	-5%	-11.37

Ringgit currency rate plus	4%	58.35	4%	13.33
Ringgit currency rate minus	-4%	-58.35	-4%	-13.33
GBP currency rate plus	4%	53.96	4%	0.15
GBP currency rate minus	-4%	-53.96	-4%	-0.15
JPY currency rate plus	3%	0.14	3%	-
JPY currency rate minus	-3%	-0.14	-3%	-
SGD currency rate plus	5%	-0.05	5%	-
SGD currency rate minus	-5%	0.05	-5%	-

1. Asset Management

The objective of the Company's capital management policy is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, while maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust its capital structure, the Company may adjust its financing methods, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and other equity instruments, or sell assets to reduce debt.

The Company monitors its capital structure on the basis of asset-liability ratio (ie Total liabilities divided by total assets). As at December 31, 2023, the asset-liability ratio of the Company was 43.90% (On December 31, 2022: 46.25%).

2. Hedging

(1) The Company carries out hedging business for risk management

Applicable Not Applicable

(2) The Company carries out qualified hedging business and applies hedging accounting

Unit: RMB

Item	Book value related to hedged items and hedging instruments	Cumulative fair value hedging adjustments of hedged items included in the recognized carrying amount of the hedged items	Some sources of hedging effectiveness and hedging ineffectiveness	Impact of hedge accounting on the Company's financial statements



Hedging risk type
Hedging category

Other instructions:

(3) The Company carries out hedging business for risk management and expects to achieve risk management objectives but does not apply hedging accounting

Applicable Not Applicable

3. Financial assets

(1) Classification of transfer methods

Applicable Not applicable

Unit: RMB

Transfer method	Nature of financial assets transferred	Amount of financial assets transferred	Derecognition	Basis for Derecognition
Factoring	Accounts receivable	961,829,468.22	Partial derecognition	No recourse
Asset securitization business	Accounts receivable	588,088,793.67	Full derecognition	No recourse
Bill discount and endorsement	Receivables financing	3,496,174,101.18	Full derecognition	Transferred relevant risks and rewards
Total		5,046,092,363.07		

(2) Financial assets derecognized due to transfer

Applicable Not applicable

Unit: RMB

Item	Transfer method of financial assets	Amount of financial assets derecognized	Gains or losses related to derecognition
Accounts receivable	Factoring	579,588,148.61	-15,441,872.28
Accounts receivable	Asset securitization business	588,088,793.67	-28,088,793.67
Receivables Financing	Bill discounting and endorsement	3,496,174,101.18	-30,980,537.98



Total		4,663,851,043.46	-74,511,203.93
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(3) Transferred financial assets that continue to be involved

Applicable Not Applicable

Other instructions:

XIII. The disclosure of fair value**1. Assets calculated by the fair value of liabilities at the end of the period**

Unit: RMB

Item	Fair value at the end of reporting period			
	Level 1 fair value calculation	Level 2 fair value calculation	Level 3 fair value calculation	Total
I. Constant fair value measurement	--	--	--	--
i. Tradable financial assets	43,891,394.00		592,008,793.31	635,900,187.31
(1) Investments on debt instruments			592,008,793.31	592,008,793.31
(2) Investments on equity instruments	43,891,394.00			43,891,394.00
Other non-current financial assets			262,572,338.19	262,572,338.19
iii. Other equity instrument investments			255,881,060.28	255,881,060.28
II. Non-constant fair value measurement	--	--	--	--

2. Basis for defining the market prices of projects measured by constant and non-constant

Level 1 fair value

Level 1: Quoted prices of same assets or liabilities in active market (unadjusted).

3. Qualitative and quantitative information of valuation techniques and important parameters used in constant and non-constant Level 2 fair value measurement projects

Level 2: Direct (prices) or indirect (deducted from the prices) use of the perceivable inputs value instead of the market price of assets or liabilities in Level 1.

4. Qualitative and quantitative information of valuation techniques and important parameters in constant and non-constant Level 3 fair value measurement projects

For financial instruments traded in active markets, the Company determines their fair values based on their active market quotations. For financial instruments not traded in active markets, the Company determines their fair values via the valuation methods. The valuation models used are mainly the discounted cash flow model and the comparable company model. The input values of the valuation techniques mainly include risk-free interest rates, benchmark interest rates, exchange rates, credit spreads, liquidity premiums, and lack of liquidity discounts.

5. Continuous Level 3 fair value measurement items, reconciliation information between the book value at the beginning and end of the period and sensitivity analysis of unobservable parameters

Level 3: Assets or liabilities use any input that is not based on observable market data (unobservable input).

6. For items of ongoing fair value measurement, if there is a conversion between levels during the period, the reasons for the conversion and the policy for determining the timing of the conversion

During the year, there was no conversion between Level 1 and Level 2 in the fair value measurement of the Company's financial assets and financial liabilities, nor was there any transfer into or out of Level 3.

7. Valuation technology changes that occurred during the current period and reasons for the changes

Not applicable

8. Fair value of financial assets and financial liabilities not measured at fair value

Not applicable

9. Others

Not applicable



IX. Related parties and related party transactions

1. The parent company of the company

Name of the parent company	Place of registration	Nature of operation	Registered capital	Shareholding of the parent company in the enterprise	Vote rights of the parent company in the enterprise

Statements of the parent company of the company

The controllers of the company are Li Weiguo and his person acting in concert Li Xingguo, who hold 23.06% of the shares directly.

The ultimate controlling party of the company is Li Weiguo.

Other instructions:

2. Subsidiaries of the company

For details of the subsidiaries of the company please see Point 1 of Note 10.

3. Joint and associated companies of the company

For the information of the important joint and associated companies please see the Point 3 of Note 10..

Details of joint or associated companies which have related-party transactions in this period or had related-party transactions previously are as follows :

Names of the joint or associated companies:	Relationship with the company
Jiangsu Oriental Yuhong Building Renovation Engineering Co., Ltd (Hereinafter referred to as Jiangsu Renovation)	Join-stock company of the company
Shanghai Yueda Construction Engineering Co., Ltd. (Hereinafter referred to as Yueda Construction)	Join-stock company of the company
Xiangxi Hongjiangshi Information Technology Co., Ltd.	Join-stock company of the company
Leizhou Development Oriental Yuhong Building Materials Technology Co., Ltd.	Join-stock company of the company
Yichang Chengfa Dongfang Yuhong Building Materials Technology Co., Ltd.	Join-stock company of the company
Foshan Jianfa Oriental Yuhong Building Materials Technology Co., Ltd.	Join-stock company of the company



Susong Dongfang Yuhong Building Materials Technology Co., Ltd.	Join-stock company of the company
Shanghai Welltech New Materials Co., Ltd.	Join-stock company of the company
Hainan Fakong Yuhong Building Materials Technology Co., Ltd.	Join-stock company of the company
Ya'an Xinyuhong Waterproof Technology Co., Ltd.	Join-stock company of the company
Guangzhou Green Gold Street Green Building Materials Co., Ltd.	Join-stock company of the company
Dalian Detai Yuhong Building Materials Technology Co., Ltd.	Join-stock company of the company
Meishan Oriental Yuhong Construction Engineering Co., Ltd.	Join-stock company of the company
Ziyang Airport Yuhong Waterproof Engineering Co., Ltd.	Join-stock company of the company
Huizhou Gangwan Yuhong New Material Technology Co., Ltd.	Join-stock company of the company
Jiacheng Yuhong Building Materials (Guangdong) Co., Ltd.	Join-stock company of the company

Other instructions

4. Other Related Parties

Names of other related parties	Relationship with the company
Xu Limin	Shareholder with 2.87% of shares in total
Xiang Jinming	Shareholder with 0.88% of shares in total
Wang Rui	Spouse of the holding shareholder of the company
Beijing GeoEnviron Engineering & Technology, Inc. (Hereinafter referred to as GeoEnviron)	Under control with the same controller
Shenzhen Kaier Hanxiang Industrial Co., Ltd.	An enterprise under the control of the same controller
Director, manager, CFO and the Board Secretary	Key management personnel

Other instructions



5. Related-party transactions

(1) Transactions over Products purchasing and sales, labor provision and reception

Products purchasing and labor reception

Unit: RMB

Related parties	Content of the related-party transactions	Amount incurred in this reporting period	Transaction amount approved	Exceeding the transaction amount or not	Transaction amount incurred in last period
GeoEnviron	Material purchasing and unit equipment	713,857,350.23		No	593,295,830.56
Sichuan Building Materials	Product procurement	48,966,254.32		No	696,201,599.41
Yueda Construction	Material purchasing	19,029,244.77		No	24,454,752.40
海南发控雨虹建材科技有限公司	Material purchasing	5,534,153.62		No	
Leizhou Development Oriental Yuhong Building Materials Technology Co., Ltd.	Material purchasing	791,356.17		No	
Shanghai Weiertai New Materials Co., Ltd.	Material purchasing	412,222.23		No	

Products sales/labor provision

Unit: RMB

Related parties	Content of the related-party transactions	Amount incurred in this reporting period	Transaction amount incurred in last period
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Foshan Jianfa Oriental Yuhong Building Materials Technology Co., Ltd.	Material sales	71,595,944.98	
Sichuan Building Materials	Material sales	68,391,397.94	431,453,223.17
GeoEnviron	Material sales and construction	41,931,391.48	43,258,079.11
Hainan Fakong Yuhong Building Materials Technology Co., Ltd.	Material sales	24,203,246.38	
Ya'an Xinyuhong Waterproof Technology Co., Ltd.	Material sales	8,968,618.27	
Meishan Oriental Yuhong Construction Engineering Co., Ltd.	Material sales	5,293,819.93	
Jiangsu Renovation	Material sales	4,286,772.84	1,755,573.77
Leizhou Development Oriental Yuhong Building Materials Technology Co., Ltd.	Material sales	4,133,795.16	
Yueda Construction	Material sales	3,585,199.66	13,519,485.38
Ziyang Airport Yuhong Waterproof Engineering Co., Ltd.	Material sales	2,986,167.27	
Guangzhou Green Gold Street Green Building Materials Co., Ltd.	Material sales	1,948,611.69	
Yichang Chengfa Dongfang Yuhong Building Materials Technology Co., Ltd.	Material sales	1,864,798.26	
Susong Dongfang Yuhong Building Materials Technology Co., Ltd.	Material sales	1,380,575.22	



Shanghai Welltech New Materials Co., Ltd.	Material sales	1,311,064.28	
Jiacheng Yuhong Building Materials (Guangdong) Co., Ltd.	Material sales	1,185,350.52	
Huizhou Gangwan Yuhong New Material Technology Co., Ltd.	Material sales	819,008.15	
Xiangxi Hongxian Information Technology Co., Ltd.	Material sales	206,406.03	

Statements of related party transactions of good purchasing and sales, labor provision and reception

(2) Related entrusted management/contracting and entrusted management/outsourcing

The Company's entrusted management/contracting table:

Unit: RMB

Name of the client/outsourcing party	Name of trustee/contractor	Trusted/contracted asset type	Start date of entrustment/contracting	End date of entrustment/contracting	Pricing basis for trusteeship income/contracting income	Trusteeship income/contracting income recognized in this period

Instructions on the related trusteeship/contracting

The Company's entrusted management/outsourcing table:

Unit: RMB

Name of client/contractor	Name of trustee/contractor	Type of entrusted/outsourced assets	Start date of commission/outsourcing	End date of entrustment/contracting	Pricing basis for hosting fee/outsourcing fee	Custody fee/outsourcing fee confirmed in this period

Instructions on the related management/outsourcing

(3) Related-party lease

The Company as the lessor:

Unit: RMB

Lessee Name	Types of leased assets	Rental income recognized in this period	Lease income recognized in the previous period
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The Company as the lessee:

Unit: RMB

Lessor name	Lease asset type	Simplified treatment of rental charges for short-term leases and leases of low-value assets (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rent paid		Interest expense on lease liabilities borne		Increased right-of-use assets	
		Amount incurred this period	Amount incurred last period	Amount incurred this period	Amount incurred last period	Amount incurred this period	Amount incurred last period	Amount incurred this period	Amount incurred last period	Amount incurred this period	Amount incurred last period

Instructions on the related-party lease

(4) Situation of the related-party guarantee

The company as the guarantee party

Unit: RMB

The guaranteed party	The amount guaranteed	Starting guarantee the of date	Closing date of the guarantee	Guarantee completed/uncompleted
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	50,000,0	December 30,	December 30,	When
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	150,000,0	27 May 2023/04/2	2026/04/26	When



Shanghai Oriental Yuhong Waterproof Technology Co., LTD	50,000,000.00	September 3, 2021	September 2, 2024	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	100,000,000.00	August 12, 2022	August 11, 2023	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	100,000,000.00	October 16, 2023	October 15, 2024	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	405,000,000.00	August 16, 2022	August 15, 2025	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	230,000,000.00	July 14, 2022	May 23, 2024	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	130,000,000.00	January 16, 2023	January 15, 2026	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	168,000,000.00	March 25, 2019	March 24, 2024	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	65,000,000.00	November 14, 2023	November 13, 2026	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	50,000,000.00	July 22, 2022	July 21, 2025	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	100,000,000.00	November 17, 2022	November 16, 2023	Yes
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	110,000,000.00	November 19, 2022	November 18, 2025	No



Shanghai Oriental Yuhong Waterproof Technology Co., LTD	200,000,000.00	October 24, 2023	October 23, 2026	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	20,000,000.00	December 30, 2021	December 30, 2025	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	54,000,000.00	November 20, 2021	November 19, 2024	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	52,000,000.00	November 14, 2023	November 13, 2026	No
Jingmen Oriental Yuhong Building Materials Co., LTD	200,000,000.00	March 01, 2020	March 01, 2025	No
Jingmen Oriental Yuhong building Materials Co., LTD	350,000,000.00	May 18, 2022	May 18, 2027	No
Jingmen Oriental Yuhong building Materials Co., LTD	35,000,000.00	February 22, 2021	February 21, 2024	No
Jingmen Oriental Yuhong building Materials Co., LTD	88,000,000.00	March 29, 2022	March 29, 2023	Yes
Jingmen Oriental Yuhong building Materials Co., LTD	88,000,000.00	October 24, 2023	October 23, 2026	No
Jingmen Oriental Yuhong building Materials Co., LTD	240,000,000.00	May 24, 2022	May 24, 2027	No
Jingmen Oriental Yuhong building Materials Co., LTD	20,000,000.00	December 06, 2022	December 06, 2023	Yes



Jingmen Oriental Yuhong building Materials Co., LTD	200,000,000.00	September 9, 2022	September 8, 2023	Yes
Hangzhou Oriental Yuhong Building Materials Co., LTD	110,000,000.00	December 01, 2021	December 01, 2024	No
Hangzhou Oriental Yuhong building Materials Co., LTD	100,000,000.00	October 19, 2021	October 18, 2024	No
Hangzhou Oriental Yuhong building Materials Co., LTD	330,000,000.00	August 31, 2022	August 31, 2024	No
Hangzhou Oriental Yuhong building Materials Co., LTD	50,000,000.00	September 9, 2022	September 8, 2025	No
Hangzhou Oriental Yuhong building Materials Co., LTD	100,000,000.00	March 01, 2023	February 29, 2024	No
Hangzhou Oriental Yuhong building Materials Co., LTD	210,000,000.00	March 09, 2021	March 08, 2024	No
Hangzhou Oriental Yuhong building Materials Co., LTD	300,000,000.00	January 15, 2022	July 15, 2024	No
Hangzhou Oriental Yuhong building Materials Co., LTD	100,000,000.00	February 23, 2023	February 22, 2026	No
Xuzhou Wuniushan New Waterproof Material Co., LTD	80,000,000.00	May 13, 2022	May 12, 2023	Yes
Xuzhou Wuniushan New Waterproof Material Co., LTD	80,000,000.00	June 2, 2023	June 1, 2026	No



Xuzhou Wuniushan New Waterproof Material Co., LTD	50,000,000.00	May 23, 2022	May 22, 2023	Yes
Xuzhou Wuniushan New Waterproof Material Co., LTD	50,000,000.00	August 11, 2023	October 31, 2023	Yes
Xuzhou Wuniushan New Waterproof Material Co., LTD	30,000,000.00	November 18, 2022	November 18, 2023	Yes
Xuzhou Wuniushan New Waterproof Material Co., LTD	80,000,000.00	October 22, 2022	October 21, 2024	No
Wuhu Oriental Yuhong Building Materials Co., LTD	240,000,000.00	November 16, 2021	November 15, 2024	No
Wuhu Oriental Yuhong Building Materials Co., LTD	80,000,000.00	December 30, 2021	June 29, 2023	Yes
Wuhu Oriental Yuhong Building Materials Co., LTD	70,000,000.00	March 14, 2023	March 13, 2026	No
Wuhu Oriental Yuhong Building Materials Co., LTD	49,000,000.00	August 18, 2023	August 17, 2026	No
Wuhu Oriental Yuhong Building Materials Co., LTD	50,000,000.00	October 25, 2021	October 25, 2024	No
Wuhu Oriental Yuhong Building Materials Co., LTD	130,000,000.00	June 9, 2020	June 9, 2023	Yes
Wuhu Oriental Yuhong Building Materials Co., LTD	100,000,000.00	June 2, 2023	June 1, 2026	No



Wuhu Oriental Yuhong Building Materials Co., LTD	132,000,000.00	June 02, 2022	June 1, 2024	No
Wuhu Oriental Yuhong Building Materials Co., LTD	60,000,000.00	May 14, 2022	September 23, 2025	No
Wuhu Oriental Yuhong Building Materials Co., LTD	100,000,000.00	June 2, 2023	June 1, 2026	No
Shenzhen Oriental Yuhong Waterproof Engineering Co., LTD	70,000,000.00	January 19, 2022	January 18, 2025	No
Shenzhen Oriental Yuhong Waterproof Engineering Co., LTD	30,000,000.00	March 31, 2023	March 30, 2026	No
Shenzhen Oriental Yuhong Waterproof Engineering Co., LTD	100,000,000.00	January 6, 2023	July 24, 2023	Yes
Shenzhen Oriental Yuhong Waterproof Engineering Co., LTD	50,000,000.00	November 18, 2022	November 17, 2025	No
Shenzhen Oriental Yuhong Waterproof Engineering Co., LTD	30,000,000.00	September 4, 2023	September 4, 2026	No
Tangshan Oriental Yuhong Waterproof Technology Co., LTD	85,000,000.00	May 08, 2022	May 08, 2023	Yes
Tangshan Oriental Yuhong Waterproof Technology Co., LTD	85,000,000.00	November 14, 2023	November 13, 2026	No



Tangshan Oriental Yuhong Waterproof Technology Co., LTD	80,000,000.00	March 31, 2022	March 30, 2023	Yes
Tangshan Oriental Yuhong Waterproof Technology Co., LTD	80,000,000.00	August 18, 2023	August 17, 2026	No
Tangshan Oriental Yuhong Waterproof Technology Co., LTD	300,000,000.00	June 16, 2022	June 15, 2025	No
Tangshan Oriental Yuhong Waterproof Technology Co., LTD	50,000,000.00	November 16, 2022	November 15, 2025	No
Tangshan Oriental Yuhong Waterproof Technology Co., LTD	100,000,000.00	March 09, 2023	March 08, 2024	No
Tangshan Oriental Yuhong Waterproof Technology Co., LTD	50,000,000.00	May 16, 2023	May 15, 2026	No
Qingdao Oriental Yuhong Building Materials Co., LTD	100,000,000.00	November 18, 2021	November 17, 2024	No
Qingdao Oriental Yuhong Building Materials Co., LTD	88,000,000.00	August 20, 2021	August 20, 2024	No
Qingdao Oriental Yuhong Building Materials Co., LTD	220,000,000.00	April 21, 2021	December 31, 2024	No
Qingdao Oriental Yuhong Building Materials Co., LTD	75,000,000.00	March 14, 2023	March 13, 2026	No
Qingdao Oriental Yuhong Building Materials Co., LTD	100,000,000.00	August 03, 2022	August 03, 2023	Yes



Qingdao Oriental Yuhong Building Materials Co., LTD	150,000,000.00	November 13, 2023	November 12, 2026	No
Qingdao Oriental Yuhong Building Materials Co., LTD	330,000,000.00	June 22, 2022	June 21, 2025	No
Qingdao Oriental Yuhong Building Materials Co., LTD	135,000,000.00	October 14, 2021	October 13, 2023	Yes
Qingdao Oriental Yuhong Building Materials Co., LTD	100,000,000.00	July 21, 2022	July 20, 2025	No
Qingdao Oriental Yuhong Building Materials Co., LTD	200,000,000.00	April 13, 2022	April 12, 2023	Yes
Qingdao Oriental Yuhong Building Materials Co., LTD	80,000,000.00	August 23, 2022	August 23, 2023	Yes
Qingdao Oriental Yuhong Building Materials Co., LTD	80,000,000.00	November 09, 2023	October 30, 2024	No
Tianjin Hongzhi New Material Co., LTD	354,135,000.00	November 23, 2021	November 23, 2024	No
Tianjin Hongzhi New Material Co., LTD	100,000,000.00	May 06, 2023	May 5, 2026	No
Yueyang Oriental Yuhong Waterproof Technology Co., LTD	100,000,000.00	April 08, 2022	April 07, 2024	No
Yueyang Oriental Yuhong Waterproof Technology Co., LTD	800,000,000.00	August 25, 2020	August 25, 2025	No
Yueyang Oriental Yuhong Waterproof Technology Co., LTD	200,000,000.00	April 27, 2023	April 26, 2025	No



Huizhou Oriental Yuhong Building Materials Co., LTD	205,000,000.00	July 05, 2022	July 4, 2025	No
Huizhou Oriental Yuhong Building Materials Co., LTD	590,000,000.00	February 01, 2021	February 1, 2026	No
Xianyang Oriental Yuhong Building Materials Co., LTD	60,000,000.00	August 18, 2023	August 17, 2024	No
Xianyang Oriental Yuhong Building Materials Co., LTD	120,000,000.00	September 9, 2022	May 30, 2023	Yes
Xianyang Oriental Yuhong Building Materials Co., LTD	50,000,000.00	April 07, 2022	April 7, 2023	Yes
Xianyang Oriental Yuhong Building Materials Co., LTD	50,000,000.00	July 7, 2023	July 6, 2026	No
Xianyang Oriental Yuhong Building Materials Co., LTD	90,000,000.00	April 21, 2022	April 20, 2023	Yes
Xianyang Oriental Yuhong Building Materials Co., LTD	170,000,000.00	January 23, 2022	January 22, 2025	No
Xianyang Oriental Yuhong Building Materials Co., LTD	100,000,000.00	January 28, 2023	January 27, 2024	No
Guangdong Oriental Yuhong Waterproof Engineering Co., LTD	135,000,000.00	August 11, 2021	August 10, 2024	No
Guangdong Oriental Yuhong Waterproof Engineering Co., LTD	150,000,000.00	June 25, 2021	June 16, 2024	No



Guangdong Oriental Yuhong Waterproof Engineering Co., LTD	200,000,000.00	January 13, 2021	January 12, 2024	No
Guangdong Oriental Yuhong Waterproof Engineering Co., LTD	165,000,000.00	December 14, 2022	December 13, 2027	No
Guangdong Oriental Yuhong Building Materials Technology Co., LTD	60,000,000.00	November 18, 2021	December 31, 2023	Yes
Guangdong Oriental Yuhong Building Materials Technology Co., LTD	60,000,000.00	January 11, 2024	December 31, 2028	No
Guangdong Oriental Yuhong Building Materials Technology Co., LTD	240,000,000.00	March 18, 2022	December 31, 2027	No
Guangdong Oriental Yuhong Building Materials Technology Co., LTD	200,000,000.00	May 06, 2022	April 2, 2024	No
Guangdong Oriental Yuhong Building Materials Technology Co., LTD	67,500,000.00	September 20, 2023	September 19, 2026	No
Jinzhou Oriental Yuhong Building Materials Co., LTD	135,000,000.00	July 27, 2021	July 26, 2024	No
Jinzhou Oriental Yuhong Building Materials Co., LTD	100,000,000.00	April 1, 2022	March 31, 2023	Yes



Jinzhong Oriental Yuhong Building Materials Co., LTD	100,000,000.00	June 2, 2023	June 1, 2026	No
Jinzhong Oriental Yuhong Building Materials Co., LTD	30,000,000.00	July 21, 2022	July 20, 2025	No
Jinzhong Oriental Yuhong Building Materials Co., LTD	70,000,000.00	March 23, 2022	March 23, 2023	Yes
Jinzhong Oriental Yuhong Building Materials Co., LTD	70,000,000.00	April 17, 2023	April 17, 2024	No
Henan Oriental Yuhong Building Materials Co., LTD	150,000,000.00	July 30, 2022	June 27, 2023	Yes
Henan Oriental Yuhong Building Materials Co., LTD	150,000,000.00	August 18, 2023	August 17, 2026	No
Henan Oriental Yuhong Building Materials Co., LTD	130,000,000.00	June 14, 2022	June 13, 2023	Yes
Henan Oriental Yuhong Building Materials Co., LTD	150,000,000.00	August 06, 2021	August 06, 2023	Yes
Henan Oriental Yuhong Building Materials Co., LTD	150,000,000.00	May 30, 2023	December 31, 2026	No
Henan Oriental Yuhong Building Materials Co., LTD	100,000,000.00	June 28, 2022	June 28, 2023	Yes
Henan Oriental Yuhong Building Materials Co., LTD	100,000,000.00	August 18, 2023	August 17, 2026	No



Henan Oriental Yuhong Building Materials Co., LTD	100,000,000.00	June 07, 2023	June 7, 2024	No
Henan Oriental Yuhong Building Materials Co., LTD	165,000,000.00	March 09, 2023	July 24, 2023	Yes
Henan Oriental Yuhong Building Materials Co., LTD	52,000,000.00	July 15, 2022	June 15, 2024	No
Henan Oriental Yuhong Building Materials Co., LTD	50,000,000.00	March 03, 2023	March 02, 2026	No
Henan Oriental Yuhong Building Materials Co., LTD	200,000,000.00	August 29, 2023	August 28, 2026	No
Kunming Fengxing Waterproof Material Co., LTD	100,000,000.00	August 30, 2021	August 29, 2024	No
Kunming Fengxing Waterproof Material Co., LTD	100,000,000.00	June 07, 2022	June 10, 2023	Yes
Kunming Fengxing Waterproof Material Co., LTD	100,000,000.00	July 5, 2023	January 5, 2025	No
Kunming Fengxing Waterproof Material Co., LTD	70,000,000.00	September 27, 2022	September 9, 2023	Yes
Kunming Fengxing Waterproof Material Co., LTD	40,000,000.00	November 19, 2022	November 18, 2025	No
Kunming Fengxing Waterproof Material Co., LTD	50,000,000.00	August 09, 2022	August 09, 2023	Yes



Kunming Fengxing Waterproof Material Co., LTD	120,000,000.00	January 9, 2023	January 8, 2024	No
Kunming Fengxing Waterproof Material Co., LTD	60,000,000.00	May 16, 2023	May 15, 2026	No
Guangzhou Fuda Thermal Insulation Material Co., LTD	39,000,000.00	March 29, 2021	March 28, 2023	Yes
Guangzhou Fuda Thermal Insulation Material Co., LTD	39,000,000.00	April 27, 2023	April 26, 2026	No
Sichuan Oriental Yuhong Waterproof Engineering Co., LTD	220,000,000.00	December 14, 2023	December 13, 2026	No
Chuzhou Tiandingfeng Nonwovens Co., LTD	100,000,000.00	July 18, 2022	July 18, 2025	No
Chuzhou Tiandingfeng Nonwovens Co., LTD	50,000,000.00	February 20, 2020	February 20, 2023	Yes
Chuzhou Tiandingfeng Nonwovens Co., LTD	250,000,000.00	May 17, 2023	May 17, 2026	No
Chuzhou Tiandingfeng Nonwovens Co., LTD	60,000,000.00	September 21, 2022	September 21, 2025	No
Chuzhou Tiandingfeng Nonwovens Co., LTD	80,000,000.00	April 17, 2020	September 16, 2026	No
Jiangxi Oriental Yuhong Building Materials Co., LTD	37,500,000.00	August 03, 2022	August 02, 2025	No



Jilin Oriental Yuhong Building Materials Co., LTD	170,000,000.00	April 15, 2022	April 7, 2023	Yes
Hongshi (Jiangsu) New Material Technology Co., LTD	150,000,000.00	March 14, 2023	March 13, 2026	No
Hongshi (Jiangsu) New Material Technology Co., LTD	150,000,000.00	April 27, 2023	April 26, 2026	No
Suzhou Oriental Yuhong Building Materials Co., LTD	100,000,000.00	November 14, 2023	November 13, 2026	No
Suzhou Oriental Yuhong Building Materials Co., LTD	180,000,000.00	November 14, 2023	November 07, 2024	No

The company as the guaranteed party

Unit: RMB

Guarantee party	The amount guaranteed	Starting date of the guarantee	Closing date of the guarantee	Guarantee completed/uncompleted
Li Weiguo	168,000,000.00	March 25, 2019	March 24, 2024	No
Li Weiguo	130,000,000.00	June 9, 2020	June 9, 2023	Yes
Li Weiguo	1,000,000,000.00	March 29, 2023	March 28, 2024	No
Li Weiguo	1,600,000,000.00	July 14, 2023	July 13, 2029	No
Li Weiguo	100,000,000.00	August 14, 2023	August 14, 2024	No
Li Weiguo	366,000,000.00	August 28, 2017		No
Li Weiguo	450,000,000.00	July 06, 2022	January 25, 2023	Yes
Li Weiguo	450,000,000.00	November 01, 2023	August 10, 2024	No
Li Weiguo	200,000,000.00	November 25, 2021	November 25, 2024	No
Li Weiguo	57,500,000.00	July 28, 2020	August 02, 2027	No



Li Weiguo	100,000,000.00	October 26, 2020	October 25, 2023	Yes
Li Weiguo	200,000,000.00	June 10, 2021	June 6, 2024	No
Li Weiguo	30,000,000.00	June 30, 2022	June 29, 2023	Yes
Li Weiguo	500,000,000.00	March 14, 2023	March 13, 2024	No
Li Weiguo	350,000,000.00	June 21, 2022	June 8, 2026	No
Li Weiguo	300,000,000.00	June 25, 2021	June 25, 2023	Yes
Li Weiguo	300,000,000.00	January 13, 2022	January 12, 2023	Yes
Li Weiguo	300,000,000.00	May 26, 2023	May 25, 2024	No
Li Weiguo, Wang Rui	1,300,000,000.00	August 30, 2021	August 30, 2023	Yes
Li Weiguo, Wang Rui	1,300,000,000.00	September 12, 2023	September 12, 2024	No
Li Weiguo	300,000,000.00	September 07, 2021	September 7, 2024	No
Li Weiguo	200,000,000.00	November 22, 2022	September 1, 2023	Yes
Li Weiguo	200,000,000.00	December 22, 2023	December 21, 2024	No
Li Weiguo	300,000,000.00	December 15, 2023	December 15, 2026	No
Li Weiguo	354,135,000.00	November 23, 2021		No
Li Weiguo	300,000,000.00	March 12, 2021	December 31, 2025	No
Li Weiguo	180,000,000.00	June 5, 2023	June 5, 2028	No
Li Weiguo	477,500,000.00	April 22, 2022	April 21, 2025	No
Li Weiguo	800,000,000.00	November 27, 2020	February 23, 2023	Yes
Li Weiguo	800,000,000.00	May 30, 2023	May 29, 2024	No
Li Weiguo	300,000,000.00	September 18, 2021	September 18, 2024	No
Li Weiguo	500,000,000.00	August 28, 2023	August 27, 2024	No

Statements of related-party guarantees

(5) Fund lending from related parties

Unit: RMB

Related Party	Lending Amount	Start Date	Expiry Date	Instructions	
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(6) Asset Transfer and Debt Restructuring of Related Parties

Unit: RMB

Related Party	Related Party Transaction	Amount in the Current Period	Amount in the Previous Period
Shenzhen Kaier Hanxiang Industrial Co., Ltd.	Asset transfer		22,035,499.59

(7) Key Management Personnel Compensation

Unit: RMB

Account	Current Period Incurred	Previous Period Incurred
Key management personnel compensation	1,768.88	1,763.67

(8) Other related-party transactions**6. Amounts Due from and to Related Parties****(1) Accounts Receivable**

Unit: RMB

Account Name	Related Party	Closing Balance		Opening Balance	
		Book Balance	Reserve for Bad Debts	Book Balance	Reserve for Bad Debts
Accounts Receivable	Sichuan Building Materials			167,883,076.56	4,700,726.14
Accounts Receivable	BGE	9,594,367.48	331,965.11	7,362,003.83	206,136.11
Accounts Receivable	Yueda New Material	2,182,375.82	75,510.20	587,857.29	16,460.00
Accounts Receivable	Jiangsu Renovation	1,115.72	38.60	783.22	21.93



Accounts Receivable	Foshan Jianfa Oriental Yuhong Building Materials Technology Co., LTD	34,418,373.20	1,190,875.71		
Accounts Receivable	Ya 'an Xin Yuhong Waterproof Technology Co., LTD	3,612,546.00	124,994.09		
Accounts Receivable	Guangzhou Green Gold Street Green Building Materials Co., LTD	2,898,566.90	100,290.41		
Accounts Receivable	Hainan Development Control Yuhong Building Materials Technology Co., LTD	1,591,934.78	55,080.94		
Accounts Receivable	Dalian Detai Yuhong Building Materials Technology Co., LTD	545,996.00	18,891.46		
Accounts Receivable	Meishan Oriental Yuhong Construction Engineering Co., LTD	97,432.26	3,371.16		



Accounts Receivable	Ziyang Airport Yuhong Waterproof Engineering Co., LTD	74,892.00	2,591.26		
Accounts Receivable	Huizhou Harbor Yuhong New Material Technology Co., LTD	45,406.20	1,571.05		
Accounts Receivable	Shanghai Weltai New Material Co., LTD	1,798.82	62.24		
Advance Payments	BGE	18,839,270.47		2,218,403.45	
Advance Payments	Sichuan Building Materials			288,700.00	
Advance Payments	Yueda New Material	5,321,306.80		23,276,792.78	
Other Receivables	Sichuan Building Materials			1,334,845.39	66,742.27
Other Receivables	Yueda New Material	383,779.37	19,188.97	321,529.17	32,152.92
Other Receivables	Yueda Energy Saving	15,685.67	784.28	289,942.99	28,994.30
Other Receivables	BGE	251,800.00	14,590.00	40,000.00	2,000.00
Other Receivables	Jiangsu Renovation	107,010.31	31,403.09	23,500.00	1,175.00
Other Receivables	Shanghai Weltai New Material Co., LTD	882,639.43	44,131.97		



Other Receivables	Xiangxi Hong Craftsman Information Technology Co., LTD	218,790.39	10,939.52		
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(2) Accounts Payable

Unit: RMB

Account Name	Related Party	Closing Book Balance	Opening Book Balance
Accounts Payable	Sichuan Building Materials		128,944,549.78
Accounts Payable	BGE	97,731,984.68	180,311,683.06
Accounts Payable	Jiangsu Renovation	175,324.91	1,001,459.03
Accounts Payable	Yueda Energy Saving	316,285.50	446,558.79
Accounts Payable	Shanghai Weltai New Material Co., LTD	37,701.32	
Accounts Payable	Hainan Development Control Yuhong Building Materials Technology Co., LTD	2,628.73	
Contractual liabilities	BGE		26,135.50
Contractual liabilities	Yueda New Material		62,176.77
Contractual liabilities	Jiangsu Renovation	303,421.42	646,738.97
Contractual liabilities	Jiacheng Yuhong Building Materials (Guangdong) Co., LTD	1,521,251.20	
Contractual liabilities	Huizhou Harbor Yuhong new material Technology Co., LTD	800,000.00	
Contractual liabilities	Meishan Oriental Yuhong Construction Engineering Co., LTD	605,900.00	
Other Payables	Zhang Hongtao		26,920,000.00



Other Payables	Jiangsu Renovation	2,552,037.63	3,429,851.68
Other Payables	Sichuan Building Materials		2,549,896.70
Other Payables	Yueda New Material	361,398.39	528,046.86
Other Payables	BGE		343,522.63
Other Payables	Xiangxi Hong Craftsman Information Technology Co., LTD	2,882,621.40	
Other Payables	Leizhou development Oriental Yuhong Building Materials Technology Co., LTD	140,009.56	
Other Payables	Yichang Chengfa Oriental Yuhong Building Materials Technology Co., LTD	50,000.00	
Other Payables	Foshan Jianfa Oriental Yuhong Building Materials Technology Co., LTD	20,000.00	
Other Payables	Susong Oriental Yuhong Building Materials Technology Co., LTD	20,000.00	

7. Commitments of related parties

None

8. Others

None

XV. Share-based Payments

1. Overview of Share-based Payments

Applicable Not applicable

Unit: RMB

Category of grant object	Current granted		Current exercised		Current unlocked		Current expired	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount



Stock options or other equity instruments outstanding at the end of the period

Applicable Not applicable

Other instructions:

Total amount of equity instruments granted by the Company during the period	-
Total amount of equity instruments exercised by the Company during the period	-
Total amount of equity instruments which lapsed during the period	-
Range of exercise price and remained contract term of the outstanding stock options issued by the Company at the end of the period	Restricted shares granted in the third period: the exercise price is RMB 13.86 and the remained contract term is 11 months. Phase I stock option: the exercise price is 48.29, and the validity period is calculated from the date of stock option grant, and the maximum period is no more than 60 months
The scope of exercise price of other equity instruments issued by the company at the end of the period and the remaining term of the contract	—

Instructions:

Granting the third period of restricted shares

(1) According to the authorization of the Third Extraordinary General Meeting in 2019, the *Proposal of Beijing Oriental Yuhong Waterproofing Technology Co., Ltd. on the Granting of the Third Period of Restricted Shares to the Incentive Recipients*, which was considered and adopted at the Eighth Meeting of the Seventh Board of Directors of the Company held on November 11, 2019, and the *Restricted Share Incentive Plan (Revised Draft)*, which was considered and adopted at the Sixth Meeting of the Seventh Board of Directors of the Company held on September 27, 2019 (hereinafter referred to as the “Third Restricted Stock Incentive Plan” or “Incentive Plan”), there are 1,752 incentive recipients and 27,362,528 shares, of which 23,540,159 shares are from the Company’s repurchased shares and the remaining 3,822,369 shares are from the Company’s directed issue of A ordinary shares to the incentive recipients.

(2) Authorized by the Company's Third Extraordinary General Meeting of Shareholders in 2019 and in accordance with the resolution of the 21st meeting of the sixth Board of Directors, the Company repurchased and canceled 1,427,250 restricted shares obtained by incentive objects that did not fully meet the unlocking conditions, each with a par value of RMB 1.00. The aforementioned repurchase and cancellation were reviewed and approved at the Company's 2020 third extraordinary general meeting of shareholders held on December 7, 2020.

(3) According to the authorization of the third extraordinary general meeting in 2019 and the resolution of the 44th Meeting of the Seventh Session of the Board of Directors, the Company would repurchase and cancel 1,577,408 restricted shares obtained by incentive objects that did not fully meet the unlocking conditions at a face value of RMB 1.00 per share. The aforementioned repurchase and cancellation were reviewed and approved at the Company's 2021 fourth extraordinary general meeting of shareholders held on November 15, 2021.

(4) According to the authorization of the third extraordinary general meeting of the Company in 2019, the 56th meeting of the seventh session of the Board of Directors resolved that the Company would repurchase and cancel 1,283,406 restricted shares obtained by the incentive participants that fail to fully satisfy the unlocking conditions at a par value of RMB 1.00 per share. The aforementioned repurchase and cancellation were reviewed and approved at the Company's 2022 first extraordinary general meeting of shareholders held on September 16, 2022. One of the aforementioned incentive targets, ZHANG Wei, currently holds 450 shares of the Company's third phase of restricted stock equity incentive, and 750 shares should be repurchased and canceled this time. Due to personal reasons, all the third-phase restricted stocks held by Zhang Wei were judicially frozen on June 22, 2021. As of the disclosure date of this announcement, the freeze has not been lifted. The Company is unable to repurchase the 750 restricted shares he holds that should be repurchased and canceled this time. Therefore, the third phase of restricted shares applied for repurchase and cancellation this time is 1,282,656 shares.

Phase I stock options

(1) Pursuant to the authorization of the second extraordinary general meeting in 2021, the Company held the 35th Meeting of the Seventh Session of the Board of Directors on April 26, 2021, reviewed and approved the *Proposal on Granting 2021 Stock Options to Incentive Objects*. According to the provisions of the *2021 Stock Option Incentive Plan (Draft) of Oriental Yuhong Waterproof Technology Co., Ltd.* (hereinafter referred to as "Equity Incentive Plan" or "Incentive Plan"), the Company would use April 26, 2021 as the granted date of the 2021 stock option incentive plan, and grant 51,755,500 stock options to 4,136 incentive objects at an exercise price of RMB 48.99 per



share.

(2) According to the authorization of the second extraordinary general meeting of shareholders in 2021, the Company held the seventh meeting of the eighth board of directors and the fifth meeting of the eighth board of supervisors on April 25, 2023 and made a resolution on the first line of business. The 23,515,150 shares that have not been exercised since the expiration of the option period, the incentive recipients resigned and the exercise conditions for the second exercise period have not been met will not be exercised and will be canceled by the Company.

2. Equity-settled Share-based Payments

Applicable Not applicable

Unit: RMB

<p>Method of determining the fair value of equity instruments at the date of grant</p>	<p>Phase III restricted shares: a board of directors meeting is held prior to the grant and a summary of that grant is disclosed. The method of determining the grant price is: 50 of the average prices of trading in Oriental Yuhong's stock for the 20 trading days prior to the disclosure of the summary of the grant (the total value of stock for the previous 20 trading days/total volume of stock trading for the previous 20 trading days).</p> <p>Phase I share options: a meeting of the Board of Directors shall be convened prior to the grant, and a summary of the grant shall be disclosed. The exercise price shall be determined as follows: not less than the par value of the Shares, and not less than the higher of the average trading price of A-Shares of the Company on the trading day preceding the publication of the draft Share Option Incentive Scheme (total trading amount of shares on the trading day preceding/total trading volume of shares on the previous trading day) and the average trading price of a Shares of the Company on the 60 trading days preceding the publication of the draft Share Option Incentive Scheme.</p>
<p>Basis for determining the number of exercisable equity instruments</p>	<p>The exercise conditions are expected to be met and the grantees are all exercisable.</p>
<p>Reasons for significant differences between the current and prior period estimates.</p>	<p>The resignation of the Incentive Participants and the failure to meet Phase II exercise conditions</p>



Accumulated amount of equity-settled share-based payments included in capital reserves.	723,612,294.90
Total expenses recognized for equity-settled share-based payments during the period	-236,381,903.42

Other instructions:

None

3. Cash-settled Share-based Payments

Applicable Not applicable

4. Share-based payment expenses for this period

Applicable Not applicable

Unit: RMB

Granted to whom	Equity-settled share-based payment fees	Cash-settled share-based payment fees

Other instructions:

The total expenses recognized for equity-settled share-based payment in this period were - 236,381,903.42 RMB.

5. Modification and Termination of Share-based Payments

Modification of Share-based Payments	N/A
Termination of Share-based Payments	N/A

6. Others

None

XVI. Commitments and Contingencies

1. Significant Commitments

Significant commitments existing at the balance sheet date

(1) The Company privately issued RMB 175,824,175 ordinary shares (A shares) to 13 specific objects at an issue price of RMB 45.50/share on March 4, 2021. The total amount of funds raised was RMB 7,999,999,962.50. After deducting the issuance expenses, the net amount of funds raised was RMB 7,996,199,962.50. According to the Company's *A-share plan for non-public Offering of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.*, the raised funds were invested in the



following (unit: RMB 10,000):

Project Name	Plan for the use of proceeds
Polymer waterproof coiled material construction project of Hangzhou Oriental Yuhong building materials Co., Ltd.	6,567.57
Technical transformation and upgrading project of 25,000 tons of asphalt coating automatic production line with an annual output of 27 million square meters of modified asphalt waterproof coiled material	9,028.92
New energy-saving thermal insulation sealing material project with an annual output of 20,000 tons	16,307.56
Huadu production base project of Guangdong Oriental Yuhong building materials Co., Ltd.	116,521.61
Production base project of Baoding Oriental Yuhong building materials Co., Ltd.	30,815.88
Oriental Yuhong Hainan Yangpu green new material comprehensive industrial park project	32,449.88
Production base project of Chongqing Oriental Yuhong building materials Co., Ltd.	45,686.33
Production base project of Nantong Oriental Yuhong building materials Co., Ltd.	27,066.52
Production base project of Jilin Oriental Yuhong building materials Co., Ltd.	14,619.98
Functional film project with an annual output of 135,000 tons	104,317.09
Oriental Yuhong new material and equipment R & D headquarters base project	28,342.42
nonwovens project with an annual output of 150,000 tons	128,276.24
Supplementary working capital	240,000.00
Total	800,000.00

As of December 31, 2023, the total amount of raised funds directly invested in investment projects was RMB 5,839,307,500; the amount of supplemented working capital was RMB 1,874,950,000; the amount of surplus raised funds used to permanently replenish working capital was RMB 204,531,000; the amount of unused raised funds was RMB 74,308,700; the amount of raised funds stored in a special account was RMB 92,821,700, including RMB 74,308,700 of raised funds, RMB 15,410,100 of interest in the special account after deducting handling fees, and other unpaid issuance expenses of RMB 3,102,900.



- (2) In January 2022, the Company entered into the Project Investment Agreement with the People's Government of Xinzhou District, Wuhan City, Hubei Province, pursuant to which the Company intended to invest RMB 2 billion in the construction of Oriental Yuhong Wuhan Green Building Material Production Base Project and Hubei Regional Headquarters Project in Wuhan City. The Board of Directors agreed that Wuhan Oriental Yuhong Sand Powder Technology Co., Ltd., a wholly-owned subsidiary of the Company, as the main project implementation entity, would invest no more than RMB 2 billion in the construction of Oriental Yuhong Wuhan Green Building Material Production Base Project and Hubei Regional Headquarters Project in Wuhan with self-raised funds.
- (3) In March 2022, the Company entered into the Project Investment Agreement with the People's Government of Xingning District, Nanning City, pursuant to which the Company proposed to invest RMB 600 million in the construction of Oriental Yuhong Nanning Green New Material Production Base Project in Xingning District, Nanning City, Guangxi.
- (4) In April 2022, the Company entered into the Project Investment Agreement with the Management Committee of Hunan Chenzhou Economic Development Zone, pursuant to which the Company intended to invest RMB 1 billion in the construction of Oriental Yuhong Green Building Material Production Base Project in Hunan Chenzhou Economic Development Zone. The Board of Directors agreed that Chenzhou Oriental Yuhong Building Materials Technology Co., Ltd., a wholly-owned subsidiary of the Company, as the main project implementation entity, would invest no more than RMB 1 billion in the construction of Oriental Yuhong Green Building Materials Production Base Project in Chenzhou City, Hunan Province with self-raised funds.
- (5) In May 2022, the Company entered into the Project Investment Agreement with the Management Committee of Jinpu New District, Dalian, Liaoning Province, pursuant to which the Company intended to invest RMB 1.5 billion in the construction of Oriental Yuhong Dalian Green Building Material Production Base Project in Dalian, Liaoning Province. The Board of Directors approved the Company to invest RMB 50 million with its own funds to establish Dalian Oriental Yuhong Building Materials Co., Ltd., a wholly-owned subsidiary of the Company, in Dalian City, Liaoning Province, and to invest not more than RMB 1.5 billion with its own funds to construct Oriental Yuhong Dalian Green Building Materials Production Base Project in Dalian City, Liaoning Province.
- (6) In May 2022, the Company entered into the Project Investment Agreement with the People's Government of Nanzhao County, Nanyang City, Henan Province. The Board of Directors approved Oriental Yuhong Sand Powder Technology Investment Co., Ltd., a second-level wholly-owned

subsidiary of the Company, to invest RMB 10 million in Nanzhao County, Nanyang City, Henan Province with its own funds to establish a wholly-owned subsidiary, Nanyang Oriental Yuhong Building Materials Technology Co., Ltd. With Nanyang Oriental Yuhong as the main body of project implementation, the project of Oriental Yuhong Nanyang Green Building Material Production Base is invested in Nanzhao County, Nanyang City, Henan Province with self-financing investment of no more than RMB 1 billion.

(7) In October 2022, the Company entered into the Project Investment Agreement with the People's Government of Minqing County, Fuzhou City, Fujian Province. The Board of Directors approved Fuzhou Oriental Yuhong Building Materials Co., Ltd., a controlled subsidiary of the Company, and Fujian Oriental Yuhong Building Materials Technology Co., Ltd., a wholly-owned subsidiary of the Company, as the main bodies of project implementation, to invest not more than RMB 1.2 billion in the construction of Fuzhou Green Building Materials Production Base Project and Fujian Regional Headquarters Project in Minqing County, Fuzhou City with self-raised funds.

As of December 31, 2023, the Company had no other commitments that should be disclosed.

2. Contingencies

(1) Significant Contingencies Existing at the Balance Sheet Date

① Contingent Liabilities Arising from Debt Guarantees Provided to Other Units and Their Financial Impact

Details of the Group's loan guarantees to subsidiaries as of December 31, 2022 are set out in 5 (2), Chapter X.

The Company intends to provide guarantees by way of joint and several liability guarantee for loans granted by banks and other financial institutions to downstream distributors who meet the qualification requirements, with the guarantee amount not exceeding the total credit limit of RMB 10,000,000,000.00. As of December 31, 2023, the Company's guarantees for downstream dealers are as follows.

Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Anhui Lingrui construction Engineering Co., LTD	521.59	2023-12-19	2024-12-13	No



Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Anhui Lingrui construction Engineering Co., LTD	81.48	2023-12-25	2024-12-19	No
Ganzhou city Runbang building materials Co., LTD	260.00	2023-12-20	2024-12-19	No
Hangzhou Xiaoteng waterproof material Co., LTD	113.84	2023-12-29	2024-12-23	No
Hangzhou Yueyang Waterproof Engineering Co., Ltd.	341.24	2023-10-27	2024-10-21	No
Hangzhou Yueyang Waterproof Engineering Co., Ltd.	157.50	2023-11-02	2024-10-27	No
Hangzhou Yueyang Waterproof Engineering Co., Ltd.	138.18	2023-11-27	2024-11-21	No
Hangzhou Yueyang Waterproof Engineering Co., Ltd.	339.95	2023-11-30	2024-11-29	No
Hangzhou Yueyang Waterproof Engineering Co., Ltd.	325.97	2023-12-01	2024-11-30	No
Hangzhou Yueyang Waterproof Engineering Co., Ltd.	334.08	2023-12-04	2024-12-03	No
Hangzhou Yunlang Building Waterproof Engineering Co., Ltd.	499.17	2023-11-02	2024-10-27	No
Hangzhou Yunlang Building Waterproof Engineering Co., Ltd.	800.00	2023-12-21	2024-12-20	No
Hangzhou Zhiyoumei Construction Engineering Co., Ltd.	300.00	2023-03-31	2024-03-22	No
Heze Oriental Yuhong Waterproof Engineering Co., Ltd.	420.00	2023-12-19	2024-09-18	No
Jinan Huakun Trading Co., Ltd.	500.00	2023-12-19	2024-09-18	No



Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Jining Andu Construction Labor Service Co., Ltd.	350.00	2023-12-19	2024-09-18	No
The Third Branch of Jiangsu Dibang Construction Engineering Co., Ltd.	126.00	2023-12-18	2024-09-17	No
Lanling Houbo Building Waterproof Engineering Co., Ltd.	320.00	2023-12-28	2024-06-27	No
Liaocheng Chengyu Building Materials Co., Ltd.	420.00	2023-12-28	2024-09-27	No
Longkou Hongqiao International Trade Co., Ltd.	994.00	2023-12-18	2024-09-17	No
Longkou Hongqiao International Trade Co., Ltd.	554.00	2023-12-25	2024-12-19	No
Ningbo Yuhong Waterproof Technology Co., Ltd.	999.62	2023-12-26	2024-12-20	No
Ningbo Yuhong Waterproof Technology Co., Ltd.	999.00	2023-12-28	2024-12-27	No
Qingdao Yehanda Waterproof Engineering Co., Ltd.	1,000.00	2023-12-25	2024-12-24	No
Xiamen RiRiSheng Building Materials Co., Ltd.	105.01	2023-12-22	2024-12-21	No
Xiamen RiRiSheng Building Materials Co., Ltd.	694.46	2023-12-25	2024-12-24	No
Shandong Ruilong Anticorrosion and Waterproof Materials Co., Ltd.	280.00	2023-12-18	2024-09-17	No
Shandong Ruilong Anticorrosion and Waterproof Materials Co., Ltd.	287.00	2023-12-20	2024-09-19	No



Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Shandong Senrui Construction Engineering Co., Ltd.	560.00	2023-12-19	2024-09-18	No
Shandong Province Boxing County Boxen New Materials Co., Ltd.	395.00	2023-12-21	2024-09-20	No
Shandong Xinghua Waterproof and Insulation Engineering Co., Ltd.	1,000.00	2023-12-28	2024-12-27	No
Shanghai Duwei Building Waterproof Engineering Co., Ltd.	600.00	2023-04-03	2024-04-03	No
Shanghai Duwei Building Waterproof Engineering Co., Ltd.	80.91	2023-07-10	2024-04-17	No
Shanghai Duwei Building Waterproof Engineering Co., Ltd.	796.68	2023-07-06	2024-04-24	No
Shanghai Yuguang Material Technology Co., Ltd.	367.52	2023-12-19	2024-12-13	No
Shanghai Yuguang Material Technology Co., Ltd.	56.42	2023-12-20	2024-12-14	No
Wuxi Dongfang Yuhong Waterproof Engineering Co., Ltd.	582.26	2023-12-27	2024-12-21	No
Zhejiang Dingjian Construction Engineering Co., Ltd.	320.85	2023-12-12	2024-12-06	No
Zhejiang Dingjian Construction Engineering Co., Ltd.	407.87	2023-12-19	2024-12-13	No
Zhejiang Dingjian Construction Engineering Co., Ltd.	230.28	2023-12-21	2024-12-15	No
Zhejiang Dingjian Construction Engineering Co., Ltd.	19.09	2023-12-22	2024-12-16	No



Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Zhejiang Dingjian Construction Engineering Co., Ltd.	200.00	2023-12-21	2024-12-20	No
Zhejiang Heju Construction Technology Co., Ltd.	300.00	2023-12-22	2024-12-21	No
Zhejiang Henghe Zhiye Construction Technology Co., Ltd.	300.00	2023-12-28	2024-12-27	No
Zhejiang Weiyi Waterproof and Insulation Engineering Co., Ltd.	574.00	2023-12-18	2024-12-17	No
Zhejiang Yuqing Waterproof Technology Co., Ltd.	944.33	2023-10-26	2024-10-20	No
Zhejiang Yuanqi Waterproof Engineering Co., Ltd.	1,000.00	2023-12-14	2024-12-13	No
Zhejiang Zhongkun Building Materials Co., Ltd.	500.00	2023-12-18	2024-12-17	No
Zhongshu Waterproof Engineering Co., Ltd.	280.00	2023-09-21	2024-09-20	No
Zhongshu Waterproof Engineering Co., Ltd.	245.00	2023-09-27	2024-09-26	No
Chengdu Hongtu Waterproof Engineering Co., Ltd.	10.68	2023-12-15	2024-09-14	No
Chengdu Hongtu Waterproof Engineering Co., Ltd.	335.00	2023-12-18	2024-09-17	No
Chengdu Hongtu Waterproof Engineering Co., Ltd.	154.00	2023-12-19	2024-09-18	No
Chengdu Juxiangyi Construction Engineering Co., Ltd.	221.63	2023-12-08	2024-12-07	No



Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Chengdu Juxiangyi Construction Engineering Co., Ltd.	69.95	2023-12-11	2024-12-10	No
Chengdu Juxiangyi Construction Engineering Co., Ltd.	13.63	2023-12-12	2024-12-11	No
Chengdu Juxiangyi Construction Engineering Co., Ltd.	4.80	2023-12-13	2024-12-12	No
Chengdu Juxiangyi Construction Engineering Co., Ltd.	3.46	2023-12-14	2024-12-13	No
Chengdu Juxiangyi Construction Engineering Co., Ltd.	1.39	2023-12-15	2024-12-14	No
Chengdu Yongshuntai Waterproof Engineering Co., Ltd. Longquanyi Branch	286.20	2023-12-25	2024-12-24	No
Chengdu Yongshuntai Waterproof Engineering Co., Ltd. Longquanyi Branch	13.80	2023-12-26	2024-12-25	No
Fujian Century Construction Engineering Co., Ltd.	241.00	2023-12-21	2024-12-20	No
Guizhou Hongjiang Building Materials Co., Ltd.	646.40	2023-12-29	2024-12-23	No
Guizhou Xinchengde Construction Engineering Co., Ltd.	129.98	2023-12-29	2024-12-23	No
Hubei Donghong Building Technology Co., Ltd.	185.92	2023-04-18	2024-01-30	No
Hubei Donghong Building Technology Co., Ltd.	186.28	2023-04-18	2024-02-10	No
Hubei Donghong Building Technology Co., Ltd.	41.24	2023-06-05	2024-04-09	No



Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Hubei Fuyi Building Materials Co., Ltd. Hunan Branch	92.00	2023-12-21	2024-12-20	No
Hubei Yunuo Building Waterproof Engineering Co., Ltd.	1,000.00	2023-12-22	2024-08-21	No
Hunan Jufeng Construction Engineering Co., Ltd.	388.32	2023-12-29	2024-12-23	No
Hunan Meichuang System Doors and Windows Co., Ltd.	370.00	2023-12-29	2024-06-28	No
Hunan Tuotian Building Materials Technology Co., Ltd.	999.37	2023-12-29	2024-12-23	No
Hunan Zefan Construction Engineering Co., Ltd.	163.06	2023-12-27	2024-12-21	No
Huizhou Minan Waterproof and Insulation Technology Co., Ltd.	94.33	2023-12-18	2024-06-17	No
Huizhou Minan Waterproof and Insulation Technology Co., Ltd.	5.67	2023-12-19	2024-06-18	No
Huizhou Henghua Decoration Engineering Co., Ltd.	27.00	2023-12-25	2024-06-24	No
Huizhou Xinpangda Waterproof Engineering Co., Ltd.	300.00	2023-12-19	2024-06-18	No
Huizhou Yixin Waterproof Engineering Co., Ltd.	100.00	2023-12-20	2024-06-19	No
Jingmen Oriental Yuhong Waterproof Engineering Co., Ltd.	499.61	2023-12-30	2024-12-24	No
Jingmen Oriental Yuhong Waterproof Engineering Co., Ltd.	6.85	2023-12-31	2024-12-25	No



Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Jingmen Oriental Yuhong Waterproof Engineering Co., Ltd.	264.13	2023-12-31	2024-12-25	No
Shenzhen Huazhi Purification Technology Co., Ltd.	599.00	2023-12-22	2024-06-21	No
Shenzhen Huazhi Purification Technology Co., Ltd.	400.40	2023-12-20	2024-12-14	No
Shenzhen Zhihe Engineering Co., Ltd.	47.00	2023-12-19	2024-12-18	No
Sichuan Hongren Waterproof Engineering Co., Ltd.	450.00	2023-12-18	2024-12-17	No
Sichuan Goldsmith Zhongcheng Construction Engineering Co., Ltd.	2.55	2023-12-19	2024-09-18	No
Sichuan Goldsmith Zhongcheng Construction Engineering Co., Ltd.	152.45	2023-12-20	2024-09-19	No
Sichuan Goldsmith Zhongcheng Construction Engineering Co., Ltd.	52.32	2023-12-21	2024-09-20	No
Sichuan Goldsmith Zhongcheng Construction Engineering Co., Ltd.	16.84	2023-12-22	2024-09-21	No
Sichuan Goldsmith Zhongcheng Construction Engineering Co., Ltd.	18.49	2023-12-22	2024-09-21	No
Sichuan Goldsmith Zhongcheng Construction Engineering Co., Ltd.	16.71	2023-12-22	2024-09-21	No
Sichuan Goldsmith Zhongcheng Construction Engineering Co., Ltd.	25.18	2023-12-25	2024-09-24	No
Sichuan Goldsmith Zhongcheng Construction Engineering Co., Ltd.	3.97	2023-12-26	2024-09-25	No
Xinjiang Tianluhe Trading Co., Ltd.	450.00	2023-12-28	2024-06-27	No



Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Xintai Yixin Waterproof Engineering Co., Ltd.	990.00	2023-12-14	2024-09-13	No
Zaozhuang Dongfang Yuhong Construction Co., Ltd.	698.00	2023-12-06	2024-12-05	No
Chongqing Kangteng Construction Engineering Co., Ltd.	9.00	2023-12-25	2024-12-24	No
Chongqing Kangteng Construction Engineering Co., Ltd.	291.00	2023-12-25	2024-12-24	No
Zhuhai Zhuobao Construction Engineering Co., Ltd.	400.00	2023-12-25	2024-12-24	No
Hunan Anti-protective Coating Building Materials Co., Ltd.	500.00	2023-06-15	2024-06-15	No
Jiande Oriental Yuhong Waterproof Engineering Co., Ltd.	500.00	2023-09-19	2024-08-16	No
total	34,500.91	-	-	-

As of December 31, 2023, except for the aforementioned events, the Company had no other contingencies that should be disclosed.

(2) If the Company has no important contingencies that should be disclosed, it should be stated.

The Company has no important contingencies that should be disclosed.

3. Others

XVII. Events after the Balance Sheet Date

1. Important non-adjusting events

Unit: RMB

Item	Description	Impact on financial condition and results of operations	Reasons why the impact cannot be estimated

2. Profit Distribution

Proposed dividend distribution per 10 shares (RMB)	6
The number of dividends declared per 10 shares upon review and approval (RMB)	6
Profit Distribution Scheme	<p>It is proposed to distribute a cash dividend of RMB 1.00 (including tax) per 10 shares to all shareholders based on the total share capital on the date of equity registration after deducting the repurchased shares in the Company's repurchase account when the distribution plan is implemented in the future. No bonus shares will be distributed, and no capital reserve will be converted into share capital. The Company will hold shares through the repurchase account. It does not enjoy the right to participate in the distribution of profits and the conversion of capital reserve into share capital, and the remaining undistributed profits are carried forward to the following years. If there is any change in the total share capital of the Company before the implementation of the profit distribution plan, the profit distribution shall be based on the total share capital of the Company on the record date after deducting the repurchased shares in the special repurchase account of the Company when the distribution plan is implemented in the future, and the proportion of distribution shall remain unchanged.</p>

3. Sales Return

4. Statements of Other Post-balance Sheet Events

As of April 18, 2024, the Company had no other events after the balance sheet date that shall be disclosed.

XVIII. Other Important Matters

1. Correction of accounting errors in the last period

(1) Retrospective restatement

Unit: RMB



Accounting error correction	Precessing procedure	Names of report items for each affected comparison period	Cumulative impact
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(2) Prospective application

Accounting error correction	Approval process	Reasons for adopting prospective application
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2. Debt restructuring**3. Asset replacement****(1) Non-monetary asset exchange****(2) Other asset replacement****4. Annuity plan****5. Termination of operations**

Unit: RMB

Item	Income	Cost	Total profit	Income tax expense	Net profit	Profit from discontinued operations attributable to owners of the parent company
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Other instructions:

6. Breakdown Information**(1) Basis for determining reportable segments and accounting policies****(2) Financial information of reportable segments**

Unit: RMB

Item		Inter-segment elimination	Total



(3) If the Company does not have a reportable segment, or is unable to disclose the total assets and liabilities of each reportable segment, it should explain the reason.

(4) Other instructions

The Company mainly engages in the production and sales of waterproof coils, waterproof coatings and waterproof engineering construction business, and does not operate other businesses that have a significant impact on the operating results. The Company regards the production and sales of waterproof coils, waterproof coatings and waterproof engineering construction business as a whole to implement management and evaluate operating results. Meanwhile, as the Company only operates in one geographical region, with its revenue mainly derived from the PRC, and its major assets located in the PRC. The Company is not required to disclose breakdown information. The Company's operating income and operating cost by product/region are detailed in Section III IV, 2. to this financial report.

7. Other important transactions and events that have an impact on investors' decision-making

As of December 31, 2023, the pledge of shares of the Company's directors, supervisors, and senior executives:

Items	Pledged shares (share)	Stock market value (RMB)
Li Weiguo	283,583,639.00	5,444,805,869.00

(1) On February 3, 2021, Mr. Li Weiguo conducted a 364-day stock pledge repurchase transaction with China International Finance Corporation Limited on part of his 10,254,310 shares of the company (lock-up shares for senior management). The above pledge went through the registration formalities in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on February 3, 2021, and the term of share pledge is from that date until the cancellation of pledge registration handled with Shenzhen Branch of China Securities Depository and Clearing Corporation. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with China International Capital Corporation Limited to extend the pledged repurchase transaction for 364 days. On the maturity date of the extended pledged repurchase transaction, Mr. Li Weiguo would enter into an agreement with China International Capital Corporation Limited to extend the pledged repurchase transaction for another 364 days.

(2) On April 6, 2021, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with China International Finance Corporation Limited on part of the Company's 7,739,940 shares (lock-up shares for senior management). The above pledge went through the registration formalities in



Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on April 6, 2021, and the term of share pledge starts from that date until the cancellation of pledge registration handled with Shenzhen Branch of China Securities Depository and Clearing Corporation. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with China International Capital Corporation Limited to extend the pledged repurchase transaction for 365 days. On the same day, 1,848,110 shares pledged by Mr. Li Weiguo were released, and the remaining shares pledged were adjusted from 7,739,940 shares to 5,891,830 shares. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with China International Capital Corporation to continue to extend the pledged repurchase transaction for another 365 days.

(3) On May 19, 2021, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with Haitong Securities Co., Ltd. on part of the Company's 6,100,000 shares (lock-up shares for senior management). The above pledge went through the registration formalities in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on May 19, 2021, and the share pledge period starts from that date until the cancellation of pledge registration handled with Shenzhen Branch of China Securities Depository and Clearing Corporation. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with Haitong Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with Haitong Securities Co., Ltd. to extend the pledged repurchase transaction for another 364 days. Mr. Li Weiguo returned part of the financing from the stock pledged repurchase transaction to Haitong Securities Co., Ltd. on June 20, 2023, and correspondingly released 1 pledged share. The remaining shares pledged were adjusted from 6,100,000 shares to 6,099,999 shares.

(4) On October 27, 2021, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with Guotai Junan Securities Co., Ltd. on part of the Company's 19,000,000 shares (lock-up shares for senior management). The above The pledge went through the registration formalities in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 27, 2021, and the share pledge period starts from that date until the cancellation of pledge registration handled with Shenzhen Branch of China Securities Depository and Clearing Corporation. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended

expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for another 362 days.

(5) On October 27, 2021, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with CITIC Securities Co., Ltd. for some of the Company's shares of 8,650,000 shares (lock-up shares for senior management). The above pledge went through the registration formalities in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 27, 2021, and the term of share pledge started from that date until the cancellation of pledge registration handled with Shenzhen Branch of China Securities Depository and Clearing Corporation. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for another 366 days.

(6) On October 27, 2021, Mr. Li Weiguo conducted a 365-day stock pledge type repurchase transaction with GF Securities Co., Ltd. for some of the Company's 10,690,000 shares (lock-up shares for senior management). The above The pledge went through the registration formalities in Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on October 27, 2021, and the share pledge period started from that date until the cancellation of pledge registration handled with Shenzhen Branch of China Securities Depository and Clearing Corporation. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with GF Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with GF Securities Co., Ltd. to extend the pledged repurchase transaction for another 366 days.

(7) On November 2, 2021, Mr. Li Weiguo pledged part of the Company's shares of 5,000,000 shares (which were senior management lock-in shares) to Haitong Securities Co., Ltd. The above pledge went through the registration procedures in Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on November 2, 2021, and the period of share pledge started from that date to the cancellation of pledge registration handled with Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(8) On December 8, 2021, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with CITIC Securities Co., Ltd. for some of the Company's 6,350,000 shares (lock-up shares for



senior management). The above pledge went through the registration formalities in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on December 8, 2021, and the share pledge period started from that date to the cancellation of pledge registration handled with Shenzhen Branch of China Securities Depository and Clearing Corporation. shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for another 366 days.

(9) On April 13, 2022, Mr. Li Weiguo conducted a 730-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 12,900,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on April 13, 2022, and the pledge period of the shares shall be from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.

(10) On April 13, 2022, Mr. Li Weiguo conducted a 730-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 17,200,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on April 13, 2022, and the pledge period of the shares shall be from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.

(11) On April 13, 2022, Mr. Li Weiguo conducted a 730-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 6,600,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on April 13, 2022, and the pledge period of the shares shall be from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.

(12) On May 19, 2022, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with Haitong Securities Co., Ltd. for part of his 790,000 shares of the Company (lock-up shares for senior management), and the above pledge was registered at Shenzhen Branch of China Securities



Depository and Clearing Corporation Limited on May 19, 2022. The term of pledge of shares shall be from that date to the date of handling the pledge release registration with Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with Haitong Securities Co., Ltd. to extend the pledged repurchase transaction for 364 days.

(13) On June 15, 2022, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with Haitong Securities Co., Ltd. for part of his 10,417,500 shares of the Company (lock-up shares for senior management). The above pledge has been registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on June 15, 2022, and the pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with Haitong Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days.

(14) On August 24, 2022, Mr. Li Weiguo conducted a 225-day stock pledge repurchase transaction with China International Capital Corporation Limited for part of his 750,000 shares of the company (lock-up shares for senior management). The above pledge has been registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on August 24, 2022, and the pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with China International Capital Corporation to extend the pledged repurchase transaction for 365 days.

(15) On August 24, 2022, Mr. Li Weiguo conducted a 161-day stock pledge repurchase transaction with China International Capital Corporation Limited for part of his 3,050,000 shares of the company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on August 24, 2022, and the pledge period of the shares is from that date to the date of releasing the pledge registration with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with China International Capital Corporation Limited to extend the pledged repurchase transaction for



364 days.

(16) On August 24, 2022, Mr. Li Weiguo conducted a 64-day stock pledge repurchase transaction with GF Securities Co., Ltd. for part of his 3,200,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on August 24, 2022, and the pledge period of the shares is from that date to the date of releasing the pledge registration with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with GF Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with GF Securities Co., Ltd. to extend the pledged repurchase transaction for another 366 days.

(17) On August 25, 2022, Mr. Li Weiguo conducted a 63-day stock pledge repurchase transaction with Guotai Junan Securities Co., Ltd. for part of his 3,000,000 shares of the Company (lock-up shares for senior management). The above pledge has been registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on August 25, 2022, and the pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. After the expiration date of the pledged repurchase transaction was extended, Mr. Li Weiguo signed an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for another 362 days.

(18) On September 9, 2022, Mr. Li Weiguo pledged part of his 1,450,000 shares of the Company (lock-up shares for senior management) to CITIC Securities Co., Ltd. The pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on 9 September 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for



another 366 days.

(19) On September 23, 2022, Mr. Li Weiguo conducted a 34-day stock pledge repurchase transaction with GF Securities Co., Ltd. for part of his 2,200,000 shares of the Company (lock-up shares for senior management). The above pledge has been registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on September 23, 2022, and the pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with GF Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with GF Securities Co., Ltd. to extend the pledged repurchase transaction for another 366 days.

(20) On October 10, 2022, Mr. Li Weiguo conducted a 17-day stock pledge repurchase transaction with Guotai Junan Securities Co., Ltd. for part of his 3,000,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 10, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. After the expiration date of the pledged repurchase transaction was extended, Mr. Li Weiguo signed an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for another 362 days.

(21) On October 10, 2022, Mr. Li Weiguo conducted a 221-day stock pledge repurchase transaction with Haitong Securities Co., Ltd. for part of his 1,000,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 10, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with Haitong Securities Co., Ltd. to extend the pledged repurchase transaction for 364 days.

(22) On October 11, 2022, Mr. Li Weiguo pledged part of his 650,000 shares of the Company (lock-



up shares for senior management) to CITIC Securities Co., Ltd. The above pledge was registered with Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on 11 October 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for another 366 days.

(23) On October 11, 2022, Mr. Li Weiguo conducted a 113-day stock pledge repurchase transaction with China International Capital Corporation Limited for part of his 1,000,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 11, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with China International Capital Corporation Limited to extend the pledged repurchase transaction for 364 days.

(24) On October 11, 2022, Mr. Li Weiguo conducted a 177-day stock pledge repurchase transaction with China International Capital Corporation Limited for part of his 850,000 shares of the company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 11, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with China International Capital Corporation to extend the pledged repurchase transaction for 365 days.

(25) On October 13, 2022, Mr. Li Weiguo conducted a 547-day stock pledged repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 1,500,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 13, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with



the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.

(26) On October 20, 2022, Mr. Li Weiguo conducted a 540-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 700,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 20, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.

(27) On October 20, 2022, Mr. Li Weiguo conducted a 540-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 800,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 20, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.

(28) On October 21, 2022, Mr. Li Weiguo pledged part of his 4,000,000 shares of the Company (lock-up shares for senior management) to Guotai Junan Securities Co., Ltd. The above pledge was registered with Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 21, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for another 362 days.

(29) On October 21, 2022, Mr. Li Weiguo pledged part of his 2,600,000 shares of the Company (lock-up shares for senior management) to CITIC Securities Co., Ltd. The above pledge was registered with Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 21, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.



On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for another 366 days.

(30) On October 24, 2022, Mr. Li Weiguo pledged part of his 6,800,000 shares of the Company (lock-up shares for senior management) to GF Securities Co., Ltd. The above pledge was registered with Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 24, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with GF Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with GF Securities Co., Ltd. to extend the pledged repurchase transaction for another 366 days.

(31) On October 25, 2022, Mr. Li Weiguo conducted a 99-day stock pledged repurchase transaction with China International Capital Corporation Limited for part of his 2,070,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 25, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with China International Capital Corporation Limited to extend the pledged repurchase transaction for 364 days.

(32) On October 27, 2022, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with Guotai Junan Securities Co., Ltd. for part of his 500,000 shares of the company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 27, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the expiration date of the pledged

repurchase transaction, Mr. Li Weiguo signed an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for 362 days.

(33) On April 25, 2023, Mr. Li Weiguo conducted a 357-day stock pledge repurchase transaction with Huatai Securities (Shanghai) Asset Management Co., Ltd. for part of his 17,000,000 shares of the company (shares locked for senior management). The above pledge was registered with China Securities Depository and Clearing Co., Ltd. on April 25, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(34) On June 19, 2023, Mr. Li Weiguo conducted a 333-day stock pledge repurchase transaction with Haitong Securities Co., Ltd. for part of his 1,160,000 shares of the company (shares locked for senior management). The above pledge was registered with China Securities Depository and Clearing Co., Ltd. on June 19, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(35) On June 19, 2023, Mr. Li Weiguo conducted a 366-day stock pledge repurchase transaction with Haitong Securities Co., Ltd. for part of his 43,990,000 shares of the company (shares locked for senior management). The above pledge was registered with China Securities Depository and Clearing Co., Ltd. on June 19, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(36) On October 17, 2023, Mr. Li Weiguo conducted a 345-day stock pledge repurchase transaction with Huatai Securities (Shanghai) Asset Management Co., Ltd. for part of his 12,030,000 shares of the company (shares locked for senior management). The above pledge was registered with China Securities Depository and Clearing Co., Ltd. on October 17, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(37) On October 24, 2023, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with Guotai Junan Securities Co., Ltd. for 3,260,000 shares of the company he held (shares locked for senior management). The above pledge was registered with China Securities Depository and Clearing Co., Ltd. on October 24, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(38) On November 14, 2023, Mr. Li Weiguo conducted a 390-day stock pledge repurchase

transaction with CITIC Securities Co., Ltd. for part of his 1,200,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on November 14, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(39) On November 20, 2023, Mr. Li Weiguo conducted a 144-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 2,090,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on November 20, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(40) On November 20, 2023, Mr. Li Weiguo conducted a 144-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 2,620,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on November 20, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(41) On November 20, 2023, Mr. Li Weiguo conducted a 144-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 950,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on November 20, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(42) On November 21, 2023, Mr. Li Weiguo conducted a 136-day stock pledge repurchase transaction with China International Capital Corporation Limited for part of his 1,060,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on November 21, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be



frozen and cannot be transferred during the pledge period.

(43) On November 30, 2023, Mr. Li Weiguo entered into a 729-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 21,000,000 shares of the company (shares locked up for senior management). The above pledge was registered at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on November 30, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.

(44) On December 5, 2023, Mr. Li Weiguo conducted a 57-day stock pledge repurchase transaction with China International Capital Corporation Limited for part of his 2,090,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 5, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(45) On December 5, 2023, Mr. Li Weiguo conducted a 164-day stock pledge repurchase transaction with Haitong Securities Co., Ltd. for part of his 1,000,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 5, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(46) On December 6, 2023, Mr. Li Weiguo conducted a 368-day stock pledge repurchase transaction with CITIC Securities Co., Ltd. for part of his 1,350,000 shares of the company (shares locked for senior management). The above pledge was registered at the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 6, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(47) On December 6, 2023, Mr. Li Weiguo conducted a 121-day stock pledge repurchase transaction with China International Capital Corporation Limited for part of his 1,090,000 shares of the company (shares locked up for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on December 6,



2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.

(48) On December 6, 2023, Mr. Li Weiguo conducted a 196-day stock pledge repurchase transaction with Haitong Securities Co., Ltd. for part of his 3,000,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 6, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(49) On December 7, 2023, Mr. Li Weiguo conducted a 131-day stock pledge repurchase transaction with Huatai Securities (Shanghai) Asset Management Co., Ltd. for part of his 2,000,000 shares of the company (shares locked for senior management). transaction, the above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 7, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(50) On December 7, 2023, Mr. Li Weiguo conducted a 127-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 2,100,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 7, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(51) On December 7, 2023, Mr. Li Weiguo conducted a 127-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 1,050,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 7, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(52) On December 7, 2023, Mr. Li Weiguo conducted a 127-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 2,610,000 shares of the company



(shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 7, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(53) On December 27, 2023, Mr. Li Weiguo conducted a 305-day stock pledge repurchase transaction with CITIC Securities Co., Ltd. for part of his 1,970,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 27, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

8. Others

XIX. Notes to the Main Items of the Parent Company's Financial Statements

1. Accounts Receivable

(1) Disclosure according to the age of accounts receivable

Unit: RMB

Age of Accounts Receivable	Ending book balance	Opening book balance
Within 1 year (include 1 year)	1,236,247,987.62	1,981,232,884.97
1 to 2 years	533,377,431.05	1,090,021,501.70
2 to 3 years	643,051,829.70	296,382,299.89
Above 3 years	303,221,649.99	110,720,731.18
3 to 4 years	244,874,353.05	82,831,522.44
4 to 5 years	34,329,571.57	6,514,658.47
Above 5 years	24,017,725.37	21,374,550.27
Total	2,715,898,898.36	3,478,357,417.74

(2) Disclosure according to bad debt accrual method

Unit: RMB



Category	Closing Balance					Opening Balance				
	Book Balance		Reserve for Bad Debts		Book Value	Book Balance		Reserve for Bad Debts		Book Value
	Amount	Percentage	Amount	Percentage of Allotment		Amount	Percentage	Amount	Percentage of Allotment	
Accounts Receivable with Single Allotment of Provisions for Bad Debts	748,875,199.45	27.57%	223,036,150.51	29.78%	525,839,048.94	917,407,626.53	26.37%	208,713,162.52	22.75%	708,694,464.01
Of which:										
Accounts Receivable with Combined Allotment of Provisions for Bad Debts	1,967,023,698.91	72.43%	256,365,704.52	13.03%	1,710,657,994.39	2,560,949,791.21	73.63%	176,740,653.35	6.90%	2,384,209,137.86
Of which:										



Of which: Related Parties in the Consolidation Scope	156,294,820.37	5.76%			156,294,820.37	383,179,400.20	11.02%			383,179,400.20
Other Receivables	1,810,728,878.54	66.67%	256,365,704.52	14.16%	1,554,363,174.02	2,177,770,391.01	62.61%	176,740,653.35	8.12%	2,001,029,737.66
Total	2,715,898,898.36	100.00%	479,401,855.03	17.65%	2,236,497,043.33	3,478,357,417.74	100.00%	385,453,815.87	11.08%	3,092,903,601.87

Single Allotment of Provisions for Bad Debts: 223,036,150.51

Unit: RMB

Name	Opening Balance		Closing Balance			
	Book Balance	Reserve for Bad Debts	Book Balance	Reserve for Bad Debts	Percentage of Allotment	Reason for Allotment
Client 1	32,267,625.07	9,417,765.62	30,414,860.00	15,143,700.09	49.79%	The value of repossessed assets exceeds the book value of accounts receivable, and there is no obvious sign of impairment.



Client 2	326,859,096.17	98,057,728.85	280,970,653.48	84,291,196.04	30.00%	Due to the poor management of customers and the debt crisis, the company is expected to be unable to recover all of them
Client 3	387,635,929.78	40,830,889.43	318,194,456.52	81,336,715.46	25.56%	The value of repossessed assets exceeds the book value of accounts receivable, and there is no obvious sign of impairment.
Client 4	61,208,151.52	48,966,521.22	26,767,838.81	21,414,271.05	80.00%	Due to the poor management of customers and the debt crisis, the company is expected to be unable to recover all of them



Client 5	31,381,271.67	1,304,245.55	12,475,255.07	1,002,296.94	8.03%	The value of repossessed assets exceeds the book value of accounts receivable, and there is no obvious sign of impairment.
Client 6			106,141.00	34,092.49	32.12%	No obvious signs of impairment were found after a single test
Client 7			32,029,663.30	3,878,598.36	12.11%	The value of repossessed assets exceeds the book value of accounts receivable, and there is no obvious sign of impairment.
Client 8			22,153,707.21	6,646,112.16	30.00%	Due to the poor management of customers and the debt crisis, the company is expected to be unable to recover all of them



Other	78,055,552.32	10,136,011.85	25,762,624.06	9,289,167.92	36.06%	Due to the poor management of customers and the debt crisis, the company is expected to be unable to recover all of them
Total	917,407,626.53	208,713,162.52	748,875,199.45	223,036,150.51		

Combined Allotment of Provisions for Bad Debts: 256,365,704.52

Unit: RMB

Name	Closing Balance		
	Book Balance	Reserve for Bad Debts	Percentage of Allotment
Within 1 year	1,098,064,529.86	37,993,032.98	3.46%
1 to 2 years	347,953,002.20	54,698,211.98	15.72%
2 to 3 years	217,042,128.25	69,713,931.66	32.12%
3 to 4 years	91,960,963.61	46,477,071.03	50.54%
4 to 5 years	33,598,029.96	25,373,232.21	75.52%
Above 5 years	22,110,224.66	22,110,224.66	100.00%
Total	1,810,728,878.54	256,365,704.52	

Statements on Determination of the Combined Allotment:

If the allotment of provisions for bad debts of accounts receivable is based on the general model of expected credit losses :

Applicable Not applicable

(3) The Allotted, Recovered or Reversed Bad Debts Reserve during the Current Period

Allotment of Reserve for Bad Debts During the Current Period

Unit: RMB

Category	Opening Balance	Changed Amount during the Current Period				Closing Balance
		Allotment	Recover or Reverse	Write-off	Other	
Non-related party receivable	385,453,815.8 7	168,760,575.4 5	74,066,902.68	745,633.61		479,401,855.0 3
Total	385,453,815.8 7	168,760,575.4 5	74,066,902.68	745,633.61		479,401,855.0 3

Important amounts of bad debt provision reversed or recovered during the current period:

Unit: RMB

Company Name	Recover or Reverse	Reason for Reversal	Recovery Method	Basis and rationality of determining the original bad debt provision ratio

(4) Write-off of Accounts Receivable During This Period

Unit: RMB

Item	Write-off Amount
Accounts Receivable Actually Written off	745,633.61

Write-off of Important Accounts Receivable

Unit: RMB

Company Name	The Nature of Accounts Receivable	Write-off Amount	Write-off Reason	Fulfillment of Write-off Procedures	Whether the money is generated by relevant transactions

Write-off of Important Accounts Receivable Specifications:

(5) Accounts Receivable of the Top Five Closing Balances Collected by Debtors



Unit: RMB

Company Name	Closing Balance of Accounts Receivable	Closing balance of contract assets	Ending balances of accounts receivable and contract assets	Proportion to the Total Closing Balance of Accounts Receivable	Ending balance of bad debt provision for accounts receivable and provision for impairment of contract assets
Client 1	442,283,422.44		442,283,422.44	16.28%	45,892,839.10
Client 2	318,194,456.52		318,194,456.52	11.72%	81,336,715.46
Client 3	280,970,653.48		280,970,653.48	10.35%	84,291,196.04
Client 4	97,779,309.07		97,779,309.07	3.60%	
Client 5	74,938,819.24		74,938,819.24	2.76%	2,592,883.15
Total	1,214,166,660.75		1,214,166,660.75	44.71%	214,113,633.75

2. Other Receivables

Unit: RMB

Item	Closing Balance	Opening Balance
Interest Receivable	150,117,184.69	111,633,577.71
Dividends Receivable	1,100,000,000.00	1,806,384,843.30
Other Receivables	12,028,286,680.70	9,418,599,599.31
Total	13,278,403,865.39	11,336,618,020.32

(1) Interest receivables

1) Classification of interest receivables

Unit: RMB

Item	Ending Balance	Opening balance
Interest receivables	150,117,184.69	111,633,577.71
Total	150,117,184.69	111,633,577.71

**2) Important overdue interest**

Unit: RMB

Borrowee	Ending Balance	Overdue Time	Reason for Overdue	Whether impairment occurs and the basis for judgment

Other instructions:

3) Disclosure by bad debt accrualApplicable Not Applicable**4) Accrued, recovered or reversed bad debt provisions during the current period**

Unit: RMB

Category	Opening Balance	Amount of changes in the current period				Ending balance
		Accrual	Recovery or reversal	Write-off or cancellation	Others	

Important amounts of bad debt provisions recovered or reversed in the current period:

Unit: RMB

Company Name	Recovery or Reversal	Reason for Reversal	Recovery Method	Basis for determining the original provision ratio for bad debts and its rationality

Other instructions:

5) Interest receivable actually written off in the current period

Unit: RMB

Item	Write-off Amount

Important amounts of interest receivables written-off:

Unit: RMB



Company Name	Nature of Payment	Write-off Amount	Write-off Reason	Fulfillment of Write-off Procedures	Whether the payment is generated by related-party transactions

Write-off instructions:

Other instructions:

(2) Dividends receivable

1) Classification of dividends receivable

Unit: RMB

Item (or Investee)	Closing balance	Opening Balance
Dividends receivable	1,100,000,000.00	1,806,384,843.30
Total	1,100,000,000.00	1,806,384,843.30

2) Significant dividends receivable aged over 1 year

Unit: RMB

Item (or Investee)	Ending balance	Aging	Reason for non-recovery	Whether impairment occurs and the basis for judgment

3) Disclosure by bad debt accrual

Applicable Not applicable

4) Bad debts accrued, recovered or reversed in the current period

Unit: RMB

Category	Opening Balance	Changes in the current period				Ending balance
		Accrual	Recover or reverse	Write-off or Cancellation	Others	

Important amounts of bad debt provisions recovered or reversed in the current period:

Unit: RMB



Company name	Recover or reverse	Reason for reversal	Recovery method	Basis for determining the original provision ratio for bad debts and its rationality
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Other instructions:

5) Dividend receivables actually written off in the current period

Unit: RMB

Item	Write-off Amount
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Important amounts of dividend receivables written-off

Unit: RMB

Company name	Nature of Payment	Write-off Amount	Reason for Write-Off	Fulfillment of Write-off Procedures	Whether the payment is generated by related-party transactions
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Write-off instructions:

Other instructions:

(3) Other receivables

1) Classification of other receivables by nature

Unit: RMB

Nature of payment	Closing Book balance	Opening book balance
Related parties within the consolidation scope	9,466,692,840.17	8,104,699,709.57
Deposit, security deposit	901,108,105.64	1,300,365,744.40
Current account	1,907,550,130.97	133,198,233.21
Petty cash	11,519,509.24	7,173,095.60



Total	12,286,870,586.02	9,545,436,782.78
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2) Disclosure according to the age of accounts receivable

Unit: RMB

Age of Accounts Receivable	Closing Book balance	Opening book balance
Within 1 year (include 1 year)	7,771,367,839.32	5,740,203,954.05
1 to 2 years	3,158,485,696.83	2,403,476,941.46
2 to 3 years	545,729,662.94	741,173,824.51
Above 3 years	811,287,386.93	660,582,062.76
3 to 4 years	528,778,147.87	477,614,315.55
4 to 5 years	275,256,343.86	176,349,055.36
Above 5 years	7,252,895.20	6,618,691.85
Total	12,286,870,586.02	9,545,436,782.78

3) Classified disclosure by bad debt accrual

Unit: RMB

Category	Ending Balance					Opening Balance				
	Book Balance		Bad Debt Provision		Book value	Book Balance		Bad Debt Provision		Book Value
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Accrual Ratio	
Of which										
Of which										

Accrual ratio based on the general credit impairment model:

Unit: RMB

Reserve for Bad	Phase One	Phase Two	Phase Three	Total
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Debts	Expected credit loss in the next 12 months	Expected credit loss for the whole duration (no credit impairment occurred)	Expected credit loss for the whole duration (credit impairment occurred)	
Balance on January 1, 2023	47,656,271.72	79,180,911.75		126,837,183.47
Balance on January 1, 2023 for this period				
--Transferred to Phase II	-405,000.00	405,000.00		
--Transferred to Phase III		-75,000,000.00	75,000,000.00	
The reversed amount in the current period	89,807,477.10	4,771,147.25	45,000,000.00	139,578,624.35
Transferred in this period	7,827,948.86			7,827,948.86
Write-off in this period	3,953.64			3,953.64
Balance on December 31, 2023	129,226,846.32	9,357,059.00	120,000,000.00	258,583,905.32

Basis for division of each stage and bad debt provision ratio

Changes in book balance with significant changes in loss reserves during the current period

Applicable Not applicable

4) The Withdrawal, Recovered or Reversed Bad Debts Reserve during the Current Period

Withdrawal of Reserve for Bad Debts during the Current Period

Unit: RMB

Type	Opening Balance	Changed Amount during the Current Period				Closing Balance
		Accrual	Closing Balance	Write-off	Other	



Non-related party receivable	126,837,183.47	139,578,624.35	7,827,948.86	3,953.64		258,583,905.32
Total	126,837,183.47	139,578,624.35	7,827,948.86	3,953.64		258,583,905.32

Important amounts of bad debt provision reversed or recovered during the current period:

Unit: RMB

Company Name	Recovered or Reversed Amount	Reason for transfer	Way of Recovering	The basis for determining the original provision ratio for bad debts and its rationality

5) Other receivables actually written off in the current period

Unit: RMB

project	Write-off amount
Other receivables actually written off	3,953.64

Important amounts of of other receivables written-off:

Unit: RMB

Company Name	Nature of Other Receivables	Write-off Amount	Reason for Write-off	Fulfillment of Write-off Procedures	Whether the payment is generated by related-party transactions

Instructions on other receivables written-off:

6) Other Accounts Receivable of the Top Five Closing Balances Collected by Debtors

Unit: RMB

Company Name	The Nature of Account	Closing Balance	Age of Accounts Receivable	Proportion of the Total Closing Balance of Other Accounts	Closing Balance of the Allowance for Bad Debts



				Receivable	
Client1	Account Current	1,650,000,000.00	1-2 years	13.43%	82,500,000.00
Client 2	Account Current	1,345,857,906.63	Within 5 years	10.95%	
Client 3	Account Current	1,099,482,452.91	Within 1 yearsc	8.95%	
Client 4	Account Current	1,038,021,807.68	Within 2 years	8.45%	
Client 5	Account Current	840,540,726.60	Within 1 years	6.84%	
Total		5,973,902,893.82		48.62%	82,500,000.00

7) Presented in other receivables due to centralized management of funds

Unit: RMB

Other instructions:

3. Long-term Equity Investment

Unit: RMB

Item	Closing Balance			Opening Balance		
	Book Balance	Impairment Reserve	Book value	Book Balance	Impairment Reserve	Book Value
Investment in Subsidiaries	6,045,205,948. 66		6,045,205,948. 66	5,262,151,202. 85		5,262,151,202. 85
Investments in Associated and Joint Enterprises	52,230,364.12		52,230,364.12	52,250,702.17		52,250,702.17
Total	6,097,436,312. 78		6,097,436,312. 78	5,314,401,905. 02		5,314,401,905. 02

(1) Investment in Subsidiaries

Unit: RMB



Investee	Opening Balance (Book Value)	Opening Balance of Impairment Reserve	Increase or decrease during the current period				Closing Balance (Book Value)	Closing Balance of Impairment Reserve
			Additional Investment	Reduction in Investment	Accrual of Impairment Reserve	Other		
Beijing Oriental Yuhong Waterproof Engineering Co., LTD	84,637,764.13					- 11,623,728.44	73,014,035.69	
Xiong'an Dongfang Yuhong Construction Technology Co., LTD	863,307.25		2,500,000.00			- 109,876.77	3,253,430.48	
Liaoning Oriental Yuhong Construction Technology Co., LTD	2,261,034.95					- 1,341,263.54	919,771.41	
Henan Oriental Yuhong Building Materials Technology Co., LTD	7,438,064.58					- 5,580,469.07	1,857,595.51	
Tianjin Oriental Yuhong Waterproof Engineering	63,732,082.95					- 2,573,674.58	61,158,408.37	



g Co., LTD								
Tianjin Oriental Yuhong New Material Technology Co., LTD	153,773.16						153,773.16	
Tianjin Hongzhi New Material Co., LTD	10,667,915.18					- 387,886.80	10,280,028.38	
Zhongke Jiantong Engineering Technology Co., LTD	50,855,238.15						50,855,238.15	
Starletter (Beijing) Building Materials Testing Co., LTD	100,000.00		9,900,000.00				10,000,000.00	
Beijing Wuzhou Tuyuan Import and Export Trade Co., LTD	1,522,312.51						1,522,312.51	



Beijing Shunyi District Oriental Yuhong Vocational Skills Training School	5,000,000. 00						5,000,000. 00	
Beijing Oriental Yuhong Anticorrosi on Technolog y Co., LTD	21,000,000 .00		8,473,246. 30				29,473,246 .30	
Zhejiang Oriental Yuhong Technolog y Developm ent Co., LTD	128,000,00 0.00			128,000,00 0.00				
Shanghai Weltai New Material Co., LTD	10,901,727 .61			6,122,000. 00		- 4,779,727. 61		
Shanghai Oriental Yuhong Waterproof Technolog y Co., LTD	380,983,04 1.82					- 38,068,928 .66	342,914,11 3.16	



Shandong Oriental Yuhong Building Materials Technology Co., LTD	5,923,114.22					- 3,668,281.95	2,254,832.27	
Guangdong Oriental Yuhong Waterproof Engineering Co., LTD	104,798,484.80					- 14,097,910.63	90,700,574.17	
Shenzhen Oriental Yuhong Waterproof Engineering Co., LTD	71,300,837.29					- 6,977,858.28	64,322,979.01	
Sichuan Oriental Yuhong Waterproof Engineering Co., LTD	50,755,434.39					- 5,319,022.39	45,436,412.00	
Oriental Yuhong Building Materials (Guangdong) Co., LTD	69,773,345.44					- 9,987,492.99	59,785,852.45	



Hainan Oriental Yuhong Building Materials Technology Co., LTD	30,825,818.81					493,555.71	- 30,332,263.10	
Guangdong Oriental Yuhong Building Materials Technology Co., LTD	100,746,084.58					796,330.58	- 99,949,754.00	
Oriental Yuhong Civil Building Materials Co., LTD	112,764,127.99					26,302,006.37	- 86,462,121.62	
Hong Kong Oriental Yuhong Investment Co. LTD	1,075,380,759.90		145,652,400.00			15,257,883.25	- 1,205,775,276.65	
Fuda Energy Saving Technology Co., LTD	100,000,000.00						100,000,000.00	
Woniushan Energy Saving Group Co., LTD	130,450,554.81					8,685,500.97	- 121,765,053.84	



Oriental Yuhong Building Repair Technology Co., LTD	59,329,842.10					- 5,473,553.74	53,856,288.36	
Oriental Yuhong Sand Powder Technology Group Co., Ltd.	98,503,253.93		214,358,239.72			- 2,962,220.76	309,899,272.89	
Tiandingfeng Holdings Limited	120,985,811.01		60,000,000.00			- 3,187,123.34	177,798,687.67	
Beijing Hongyun Kiev Material Supply Chain Management Co., LTD	100,284,765.10					- 161,619.50	100,123,145.60	
Yueyang Oriental Yuhong Waterproof Technology Co., LTD	104,000,065.49					- 1,675,631.41	102,324,434.08	
Nantong Jinsinan film Material Co., LTD	79,143,569.14					- 365,260.07	78,778,309.07	



Tangshan Oriental Yuhong Waterproof Technolog y Co., LTD	156,521,15 4.51					- 1,877,223. 14	154,643,93 1.37	
Xianyang Oriental Yuhong Building Materials Co., LTD	84,174,681 .64					- 908,222.45	83,266,459 .19	
Wuhu Oriental Yuhong Building Materials Co., LTD	53,077,955 .80					- 854,221.19	52,223,734 .61	
Hangzhou Oriental Yuhong Building Materials Co., LTD	102,572,14 7.51					- 1,363,700. 80	101,208,44 6.71	
Qingdao Oriental Yuhong Building Materials Co., LTD	52,570,122 .13					- 1,181,622. 42	51,388,499 .71	
Henan Oriental Yuhong Building Materials Co., LTD	53,212,185 .32					- 1,078,156. 00	52,134,029 .32	



Jinzhou Oriental Yuhong Building Materials Co., LTD	155,998,151.95					- 1,153,688.19	154,844,463.76	
Jingmen Oriental Yuhong Building Materials Co., LTD	53,109,029.31					- 1,254,203.06	51,854,826.25	
Huizhou Oriental Yuhong Building Materials Co., LTD	104,719,395.73					- 980,681.84	103,738,713.89	
Zhejiang Oriental Yuhong Building Materials Technology Co., LTD	9,026,578.61					- 2,301,872.48	6,724,706.13	
Kunming Fengxing Waterproof Material Co., LTD	148,513,361.79					- 3,864,628.37	144,648,733.42	
Xuzhou Woniushan new Waterproof Material Co., LTD	94,414,624.27					- 1,537,863.60	92,876,760.67	



Quanzhou Dongfang Yuhong Sand Powder Technolog y Co., Ltd.	519,795.90					- 179,115.09	340,680.81	
Zhanjiang Oriental Yuhong Sand Powder Technolog y Co., Ltd.	6,000,000. 00						6,000,000. 00	
Jilin Oriental Yuhong Building Materials Technolog y Co., LTD			1,000.00				1,000.00	
Chongqing Oriental Yuhong Building Materials Technolog y Co., LTD	2,156,146. 33					- 896,480.44	1,259,665. 89	
Oriental Yuhong Tile Roofing System Co., LTD	30,000,000 .00						30,000,000 .00	



Oriental Yuhong Building Materials Co., LTD	777,978.27		50,000,000.00			441,544.47	- 50,336,433.80	
Guizhou Oriental Yuhong Building Materials Technology Co., LTD	1,500,000.00						1,500,000.00	
Jinshi Nan Film (Shanghai) Technology Co., LTD	3,000,000.00		19,000,000.00				22,000,000.00	
Guizhou Oriental Yuhong Building Materials Co., LTD	17,390,699.10						17,390,699.10	
Hainan poly Smith Technology Co., LTD	500,000.00						500,000.00	
Hongshi (Jiangsu) New Material Technology Co., LTD	139,199,990.40		127,000,000.00				266,199,990.40	



Shenzhen Oriental Yuhong Construction Robot Co., LTD	1,159,905.10		460,000.00			-274,564.78	1,345,340.32	
Guangxi Oriental Yuhong Building Materials Technology Co., LTD	50,000,000.00						50,000,000.00	
Tianjin Hongyueyun Technology Co., LTD			5,000,000.00				5,000,000.00	
Hongsheng (Beijing) New Energy Technology Co., LTD	2,730,000.00		28,270,000.00				31,000,000.00	
Oriental Yuhong Pipe Technology Co., LTD	10,300,000.00		40,000,000.00				50,300,000.00	
Chenzhou Oriental Yuhong Building Materials Technology Co., LTD	35,010,000.00		14,990,000.00				50,000,000.00	



Wuhan Oriental Yuhong Kejian Building Materials Co., LTD	225,000,000.00						225,000,000.00	
Yangzhou Oriental Yuhong New Material Co., LTD	6,630,000.00		43,370,000.00				50,000,000.00	
Hongjia Industrial Coatings Co., LTD	50,000,000.00						50,000,000.00	
Fujian Oriental Yuhong Building Materials Technology Co., LTD	450,000.00						450,000.00	
Nanning Oriental Yuhong Waterproof Material Co., LTD	50,100,000.00					-100,000.00	50,000,000.00	
Fuzhou Oriental Yuhong Building Materials Co., LTD	27,000,000.00		450,000.00				27,450,000.00	



Hubei Yuhong Xingfa New Material Co., LTD	28,800,000.00		3,188,899.84				31,988,899.84	
Nanjing Hongshan Construction Development Co., LTD	35,000,000.00						35,000,000.00	
Jiangsu Oriental Yuhong Investment Co., LTD	50,000,000.00						50,000,000.00	
Hongyi Enterprise Services Limited	41,431.94					-32,323.90	9,108.04	
Oriental Yuhong (America) Developments Ltd.	11,260,317.60		66,598,280.00				77,858,597.60	
Sichuan Building Materials			194,639,800.00			34,271,217.93	228,911,017.93	
Ningxia Architectural Design and Research Institute Co., LTD	215,694,000.00						215,694,000.00	



Xuzhou Oriental Yuhong New Material Co., LTD			50,000,000.00				50,000,000.00	
Long Island Oriental Yuhong Waterproof Technology Co., LTD			100,000.00				100,000.00	
Cangzhou Oriental Yuhong Construction Technology Co., LTD			50,000.00				50,000.00	
Beijing Top Beauty BonstructC on Technology Co., LTD	10,816,078.60					10,816,078.60	-	
Chongqing Oriental Yuhong Sand Powder Technology Co., Ltd.	123,339.75					123,339.75	-	
Total	5,262,151,202.85		1,084,001,865.86	134,122,000.00		166,825,120.05	-	6,045,205,948.66

(2) Investments in Associated and Joint Enterprises

Unit: RMB

Investee	Opening Balance (Book Value)	Opening Balance of Impairment Reserve	Increase or decrease during the current period							Closing Balance (Book Value)	Closing Balance of Impairment Reserve	
			Addition Investment	Reduction Investment	Investment profit and loss recognized under equity method	Other Comprehensive Income	Other Changes in Equity	Declare the Payment of Cash Dividends or Profits	Accrual of Impairment Reserve			Other
I. Joint Venture												
II. Associated Enterprise												
Sichuan Building Material	37,409,115.98				-2,893,981.91						-34,515,134.07	



Foshan Jiantou Orient al Yuhon g Buildi ng Materi als Techn ology Co., Ltd.	14,841 ,586.1 9				924,64 4.13						15,766 ,230.3 2	
Yichan g Cheng fa Orient al Yuhon g Buildi ng Materi als Techn ology Co., LTD			980,00 0.00		531.34						980,53 1.34	



Xinjiang Architectural Design and Research Institute Co., LTD			31,000,000.00		1,034,499.01					-		31,044,348.01	
Shanghai Weltai New material Co., LTD												4,451,346.20	4,439,254.45
Subtotal	52,250,702.17		31,980,000.00		934,307.43	12,091.75				-		30,063,787.87	52,230,364.12
Total	52,250,702.17		31,980,000.00		934,307.43	12,091.75				-		30,063,787.87	52,230,364.12

The recoverable amount is determined as the net amount of the fair value less costs of disposal.

Applicable Not Applicable

The recoverable amount is determined based on the present value of expected future cash flows.

Applicable Not Applicable

Reasons for the differences between the above information and the information used in impairment testing in previous years or external information



Reasons for the differences between the information used in the Company's impairment testing in previous years and the actual amount of that year.

(3) Other instructions

4. Revenue and Cost

Unit: RMB

Item	Amount Incurred during the Current Period		Amount Incurred during the Last Period	
	Revenue	Cost	Revenue	Cost
Main Business	4,916,186,425.33	4,349,450,058.37	5,403,586,227.87	4,743,074,585.96
Other Business	166,786,440.26	95,789,027.11	275,755,005.73	135,811,667.45
Total	5,082,972,865.59	4,445,239,085.48	5,679,341,233.60	4,878,886,253.41

Breakdown of operating income and operating costs:

Unit: RMB

Classification of Contracts	Section 1		Section 2				Total	
	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost
Business Type								
Of Which:								
Classification by business area								
Of Which:								



Market or customer type								
Of Which:								
Contract type								
Of Which:								
Classification by time of commodity transfer								
Of Which:								
Classification by contract term								
Of Which:								
Classification by sales channel								
Of Which:								
Total								

Information related to performance obligations:



Item	Time to fulfill performance obligations	Important payment terms	Nature of the goods the company promises to transfer	Is (s)he the main responsible person?	Amounts borne by the company that are expected to be refunded to customers	Types of quality assurance provided by the company and related obligations
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Other instructions:

Information on Transaction Prices of the Remaining Allocated Obligations:

By the end of this reporting period, the income corresponding to the obligations fulfilled, which includes contracts signed, unfulfilled or partially unfulfilled obligations, is RMB 0.00. Among them, RMB is expected to confirm revenue for the year, RMB is expected to confirm revenue for the year, RMB is expected to confirm for the year.

Major contract changes or major transaction price adjustments

Unit: RMB

Item	Accounting treatment method	Amount of impact on revenue
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Other instructions:

5. Investment Revenue

Unit: RMB

Item	Amount Incurred during the Current Period	Amount Incurred during the Last Period
Returns on Long-term Equity Investment Calculated by Cost Method	1,120,131,440.00	1,820,131,440.00
Returns Generated from Long-term Equity Investment Calculated by Equity Method	-934,307.43	6,256,208.54
Returns Generated from the Disposal of Long-term Equity Investment	-1,130,309.95	-9,637.54
Returns from Trading Financial Assets during the Holding Period	17,484,820.63	6,384,843.30



Investment income from disposal of other debt investments	572,897.66	
Dividend Income from Other Equity Instrument Investments during the Holding Period	149,356.03	
Investment Income from Disposal of Financial Assets		-15,818,875.90
Investment Gains from the Disposal of Other Non-current Financial Assets	-45,271,522.89	8,535,499.59
Total	1,091,002,374.05	1,825,479,477.99

6. Other

XX. Additional Material

1. Detailed Table on the Current Non-recurring Profits and Losses

Applicable Not Applicable

Unit: RMB

Item	Amount	Specification
Profits and Losses on the Disposal of Liquid Assets	-9,050,594.86	
Government subsidies included in the current profits and losses (except the government subsidies which are closely related to the businesses of enterprises as well as those that are fixed or quantified in accordance to the national standard)	198,403,539.07	



In addition to the effective hedging business related to the normal business of the company, the profit and loss from changes in fair value arising from holding trading financial assets and trading financial liabilities, as well as the investment income obtained from the disposal of trading financial assets, trading financial liabilities and available for sale financial assets	-10,930,453.26	
Capital occupation fee charged to non-financial enterprises included in current profits and losses	200,432,770.60	
Reversal of allowance for impairment of receivables separately tested	161,524,064.23	
Revenue and Cost Other Than Those Mentioned Above	5,645,778.81	
Minus: Amount Affected by the Income Tax	100,611,307.04	
Amount of the Equity Impact from the Minority Shareholders	12,806,724.71	
Total	432,607,072.84	--

Details of other profit and loss items that meet the definition of non-recurring profit and loss:

Applicable Not Applicable

The Company has no specific circumstances of other profit and loss items that meet the definition of non-recurring profit and loss.

Description of defining the non-recurring profit and loss items listed in the *Explanatory Announcement No. 1 on Information Disclosure of Companies Security-Offering to the Public--- Non-recurring Gains and Losses* as recurring profit and loss items

Applicable Not Applicable



2. Returns on Net Assets and Earnings Per Share

Profits during the Reporting Period	Weighted Average Return on Net Assets	Earnings Per Share	
		Basic Earnings Per Share (RMB/per share)	Basic Earnings Per Share (RMB/per share)
Net Profits Attributed to the Company's Ordinary Shareholders	8.24%	0.91	0.90
Net Profits Attributed to the Company's Ordinary Shareholders After Deducting Non-Recurring Gains and Losses	6.47%	0.72	0.71

3. Differences in accounting data under domestic and foreign accounting standards

(1) Differences in net profit and net assets in the financial report disclosed in accordance with both the International Accounting Standards and the Chinese Accounting Standards

Applicable Not applicable

(2) Differences in net profit and net assets in the financial report disclosed in accordance with both foreign accounting standards and Chinese accounting standards

Applicable Not applicable

(3) Explanation of reasons for differences in accounting data under domestic and foreign accounting standards. If differences are adjusted for data that have been audited by an overseas audit institution, the name of the overseas institution should be indicated.